

CABINET

MAYOR

Mayor John Biggs

CABINET MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Denise Jones	(Cabinet Member for Health & Adult Services)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

[The quorum for Cabinet is 3 Members]

MEETING DETAILS

Tuesday, 19 December 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:

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Web: <http://www.towerhamlets.gov.uk>

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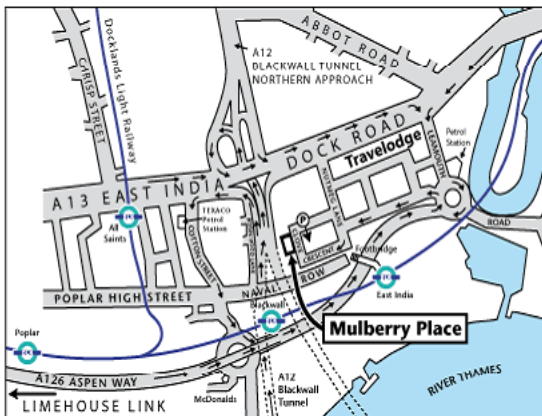
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A Guide to CABINET

Decision Making at Tower Hamlets

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

Which decisions are taken by Cabinet?

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

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

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

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

Published Decisions and Call-Ins

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

- The decisions will be published on: **Thursday, 21 December 2017**
- The deadline for call-ins is: **Friday, 5 January 2018**

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

Public Engagement at Cabinet

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

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

LONDON BOROUGH OF TOWER HAMLETS

CABINET

TUESDAY, 19 DECEMBER 2017

5.30 p.m.

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS	11 - 14
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.	
3. UNRESTRICTED MINUTES	15 - 28
The unrestricted minutes of the Cabinet meeting held on Tuesday 28 November 2017 are presented for approval.	
4. OVERVIEW & SCRUTINY COMMITTEE	
4.1 Chair's Advice of Key Issues or Questions	
Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.	
4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1	Children's Services Improvement- progress report quarter 2	29 - 44
	<p>Report Summary: This report provides an update on progress in delivering improvements to Children's Services in response to the report published by Ofsted in April 2017.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Education and Children's Services Corporate Priority: Creating opportunity by supporting aspiration and tackling poverty</p>	
5.2	Update on implementation of the Mayor's Transparency Protocol and response to the OSC Transparency Commission Report	45 - 92
	<p>Report Summary: This paper provides updates on the progress made in implementing the actions set out in the Mayor's Transparency Protocol and the recommendations arising from the Overview and Scrutiny Transparency Commission report. As the work around these two initiatives have naturally converged, this report provides a combined picture of the current position on the Council's overall work to drive forward the vision of a more open, accountable and transparent organisation.</p> <p>Wards: All Wards Lead Member: Mayor Corporate Priority: Creating and maintaining a vibrant, successful place</p>	
5.3	Establishment of Group Training Association for Construction Training	93 - 104
	<p>Report Summary: In response to feedback from construction employers and the need to facilitate the entry of local residents into the construction sector locally and across London, LBTH Officers have been actively exploring the feasibility of establishing a Group Training Association (GTA) for construction in partnership directly with the London Legacy Development Corporation (LLDC) and borough partners. These discussions have resulted in the proposals contained within this report, to lead in the establishment of a GTA for east London, based within the current construction training centre based at Cathall Road in Leyton; combined with a series of hubs for delivery on construction sites across the area.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Work and Economic Growth Corporate Priority: Creating opportunity by supporting aspiration and tackling poverty</p>	

5 .4	Withy House Tenant Management Organisation (TMO)Termination Notice	105 - 160
<p>Report Summary: Cabinet is requested to undertake a review of the matter and decide whether the decision to terminate the Management Agreement with Withy House Tenant Management Organisation should be upheld.</p>		
<p>Wards: Bethnal Green Lead Member: Deputy Mayor and Cabinet Member for Housing Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		
5 .5	Better Care Fund 2017- 2019 - Section 75 agreement	161 - 220
<p>Report Summary: To agree to enter into a formal agreement with Tower Hamlets Clinical Commissioning Group (CCG), to give formal effect to the Better Care Fund programme.</p>		
<p>Wards: All Wards Lead Member: Cabinet Member for Health and Adult Services Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		
5 .6	Removal of Nuisance and Illegally Parked Vehicles	221 - 228
<p>Report Summary: The Council currently holds a three-lot contract with NSL Services Ltd for the removal of vehicles on the highway, the removal of abandoned vehicles and enforcement of parking restrictions on land managed by Tower Hamlets Homes. Permission is sought for an eight-month extension for this contract and retrospective permission to include the tendering out of parking enforcement on housing land in the new contract.</p>		
<p>Wards: All Wards Lead Member: Cabinet Member for Environment Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		

5.7 IDF: Approval of the Allocation of CIL and S106 funding and Approval for the Adoption of a Capital Budget in Respect of the Following Projects: Brick Lane Regeneration Project; Route 108 Bow Enterprise Park Development Bus Service Enhancement; South

229 - 408

Report Summary:

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

- Brick Lane Regeneration Project;
- Route 108 Bow Enterprise Park Development Bus Service Enhancement Project;
- South Dock Bridge: Initiation, Design and Public Consultation Project;
- Toynbee Hall Refurbishment Project;

Approval for the adoption of a capital budget in respect of the following project:

- Middlesex Street Public Art Project.

Approval to fund these project is sought as they will allow for the delivery of Infrastructure and achieve the objectives set out in the community plan including:

- A great place to live;
- A fair and prosperous community;
- A safe and cohesive community;
- A healthy and supportive community.

Wards: Bromley South; Canary Wharf; Spitalfields & Banglatown; Weavers; Whitechapel
Lead Member: Cabinet Member for Strategic Development and Waste
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5.8 Consultations on a new Community Infrastructure Levy (CIL) Charging Schedule and submission for examination

409 - 500

Report Summary:

Approval to undertake consultations on a new Community Infrastructure Levy Preliminary Draft Charging Schedule and submit for examination.

Wards: All Wards
Lead Member: Councillor Rachel Blake, (Cabinet Member for Strategic Development & Waste)
Corporate Priority: Creating and maintaining a vibrant, successful place

5 .9 Neighbourhood Planning: Isle of Dogs Neighbourhood Plan - 2017 to 2031 - Legal Compliance and Examination Stage	501 - 514
<p>Report Summary: To agree that the submission of the draft Isle of Dogs Neighbourhood Plan is legally compliant and should be publicised for consultation and taken forward to examination.</p> <p>To also agree that the Council, in consultation with the Isle of Dogs Neighbourhood Forum, should appoint a suitable independent examiner.</p> <p>To delegate authority to respond to the consultation to the Divisional Director of Planning and Building Control, in consultation with the Cabinet Member for Strategic Development and Waste and the Mayor.</p> <p>Wards: Blackwall & Cubitt Town; All Wards Lead Member: Cabinet Member for Strategic Development and Waste Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	Appendices in Separate Pack
5 .10 Blackwall Reach Regeneration: New Charitable Trust & CPO Resolution	515 - 560
<p>Report Summary: The report:</p> <ol style="list-style-type: none"> 1. Updates on the progress being made in delivery of the Blackwall Reach Regeneration scheme and seeks authority to proceed with the next steps required, including the setting-up of a new Blackwall Trust to oversee the new central park when completed and to invest in community initiatives; and 2. Seeks authority to make a new Compulsory Purchase Order to help ensure acquisition of parts of the existing open space which are not yet in the council's ownership, to enable these to be landscaped, maintained and improved for inclusion in the new central park. <p>Wards: Blackwall & Cubitt Town Lead Member: Cabinet Member for Strategic Development and Waste Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>	

5 .11 Sonali Gardens Day Centre **561 - 568**

Report Summary:

A decision is required to authorise the Council to enter into a 25 year lease for the St Hilda's East Community Centre, 79 Tarling Street, London E1 0AT at a rent of £13,325 p.a. subject to index linked rent reviews, in accordance with para 14.1 of the constitution.

The Council will then enter into a simultaneous sub-lease to the existing occupier St Hilda's East Community Centre, on terms mirroring the head lease. The sub-lease will be for a maximum term of 18 months pending re-tendering of the day care service.

Wards: Shadwell
Lead Member: Councillor David Edgar, (Cabinet Member for Resources)
Corporate Priority: A transformed council, making best use of resources and with an outward looking culture

5 .12 Publication of Brownfield Register **569 - 604**

Report Summary:

Tower Hamlets like all other local planning authorities across the country need to publish a Brownfield Register by 31st December 2017. This is mandatory and a requirement from government.

Wards: All Wards
Lead Member: Cabinet Member for Environment
Corporate Priority: (All Corporate Priorities)

5 .13 Corporate Directors Decisions **605 - 610**

Report Summary:

Noting report listing recent Corporate Director Decisions.

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

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

7. EXCLUSION OF THE PRESS AND PUBLIC

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

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

EXEMPT/CONFIDENTIAL SECTION (PINK)

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

8. EXEMPT / CONFIDENTIAL MINUTES

The exempt / confidential minutes of the Cabinet meeting held on Tuesday 28 November 2017 are presented for approval.

9. OVERVIEW & SCRUTINY COMMITTEE

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

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

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

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

10. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

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

Next Meeting of the Committee:

Tuesday, 30 January 2018 at 5.30 p.m. in C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

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

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

Interests and Disclosable Pecuniary Interests (DPIs)

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

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

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

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

Effect of a Disclosable Pecuniary Interest on participation at meetings

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

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

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

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

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

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

Further advice

For further advice please contact:-

Asmat Hussain, Corporate Director, Governance and Monitoring Officer. Tel 020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON TUESDAY, 28 NOVEMBER 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)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

Other Councillors Present:

Councillor Dave Chesterton	(Chair of the Overview and Scrutiny Committee)
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Andrew Wood	

Apologies:

Councillor Denise Jones	(Cabinet Member for Health & Adult Services)
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Officers Present:

Andrew Bate	(Senior Executive, Communications)
Janice Beck	(Head of Building Development, Children & Adults Resources)
Stephen Bramah	(Deputy Head of the Mayor's office)
Emily Fieran-Reed	(Service Manager, Community Cohesion, Engagement and Commissioning, Strategy, Policy and Equality)
Jim Glover	(Revenue Services)
Sharon Godman	(Divisional Director, Strategy, Policy and Partnerships)
Afazul Hoque	(Interim Service Manager, Strategy, Policy & Performance)
Martin Ling	(Housing Strategy Manager, Place)
Niall McGowan	(Housing Regeneration Manager)
Neville Murton	(Divisional Director, Finance, Procurement & Audit)

Christabel Shawcross	(Safeguarding Adults Board Chair LBTH)
Jackie Sullivan	Managing Director of Hospitals, Bart's Health Trust
David Tolley	(Head of Environmental Health and Trading Standards)
Abad Uddin	(Graduate Management Trainee, Human Resources)
Zena Cooke	(Corporate Director, Resources)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Debbie Jones	(Corporate Director, Children's)
Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Acting Corporate Director, Place)
Will Tuckley	(Chief Executive)
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Denise Jones, Cabinet Member for Health and Adult Services.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 31 October 2017 be approved and signed by the Chair as a correct record of proceedings subject to the following:
 - a. Agenda Item 5.12 – Recommendation 5 – it has been agreed that the delegation needs to be amended from the Corporate Director, Governance to the Acting Corporate Director, Place.

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions were noted in respect of Agenda Items:

- 5.2 – Local Safeguarding Childrens Board Annual Report.
- 5.7 – Approval of the allocation of S106 and CIL funding for projects at Wood Wharf Primary School and Additional 6th Form Places at Langdon Park & George Green Schools.
- 5.10 – Disposal of Land at Ailsa Street, Lochnagar Street and Bromley Hall Road
- 5.12 – Corporate Budget Monitoring Quarter 2

Written responses would be provided.

In addition Councillor Dave Chesterton, Chair of the Overview and Scrutiny Committee, provided an update to the Cabinet of its last meeting. He reported that a number of issues had been discussed including:

- Complaints annual report – including the need to ensure the website made it easy for residents to find relevant information and forms.
- A significant amount of time at the meeting had been focussed on spotlighting Children's Services and he thanked the Cabinet Member for Children's Services for her contribution to the meeting.

As a more general point, he expressed concern that officers were making use of the Forward Planning 'urgency' provisions more often than was appropriate and that he would continue to monitor this usage.

Finally, the Overview and Scrutiny Committee had considered a Call-In in relation to the Individual Mayoral Decision regarding the Acquisition of Affordable Homes. The Committee had not referred the decision back to the Mayor to reconsider but it had submitted a number of questions to officers for a response.

The **Mayor** thanked Councillor Dave Chesterton for his contribution.

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Tower Hamlets Safeguarding Adults Board Annual Report 2016/17

The Mayor introduced the Local Adult Safeguarding Board's Annual Report. He then introduced Christabel Shawcross the Independent Chair of the Local Safeguarding Adults Board who provided a summary of her Board's report.

She introduced herself to the meeting and welcomed the Mayor's acknowledgement of the importance of the work of the Board. She stated that, along with the Lead Cabinet Member, she had been able to bring fresh eyes to the annual report which she thought had been valuable.

She then took Cabinet through the highlights of the report and particular issues to note, including on improvements in data capture and reporting, the number of referrals and reviews, and how cases where risk had been identified had been tackled.

She then looked at issues that the Board would be examining in the next year such as prevention plans and work in conjunction with the Safeguarding Children's Board. She stated how important it was to work to reduce any abuse that was taking place. Finally she highlighted lessons learnt from previous cases where things went wrong.

During discussion, Cabinet heard about the issues that had been raised at the Overview and Scrutiny Committee meeting the previous week. They also discussed a number of other issues including:

- Lessons learnt from recent reviews of the work of the Local Safeguarding Children's Board that could be applied to adult safeguarding.
- The challenge of the transition from children's to adults' social care.
- It would be important to report back next year on recent discussions with the Cabinet, Overview and Scrutiny Committee and others.
- If there were any key points noted from the recent OFSTED report.

The Mayor welcomed the report. In particular he noted the importance of encouraging people to feel free to come forward to report concerns. He **agreed** the recommendations as set out.

RESOLVED

1. To note the annual report for the local Safeguarding Adults Board for 2016/17

5.2 Tower Hamlets Safeguarding Children Board Annual Report 2016-17

Councillor Amy Whitelock Gibbs, Cabinet Member for Education and Children's Services introduced the report as a member of the Local Safeguarding Children's Board (LSCB) Executive.

She provided a brief summary of the report. She explained that Stephen Ashley, the Chair had been brought in as there had been concerns about how well the Board was functioning. This move had been successful and the Chair was proving to be an active and positive leader of the Board.

Councillor Amy Whitelock Gibbs then took Members through the report. She explained that the report content and style had been reviewed following the OFSTED report and that it was important to refresh the content and focus. The key priorities for 2017/18 were noted and how this linked to the OFSTED Improvement Plan. It was noted that OFSTED had commended the work of the LSCB.

It was noted that changes to regulations meant that a LSCB was not specifically required in the future but that a version of partnership arrangements would be required.

In discussion Cabinet considered:

- The role of Councillors as Corporate Parents and the amount of information they should be receiving on those children.
- Whether the targets for the LSCB were stretching enough.
- Noting that delivery was critical against any targets that were set.
- How long term hospital care was being monitored.

- The work of the virtual school.

The **Mayor** welcomed the report, noting that it was in effect a new baseline for the future. He highlighted that the Council was investing to meet the needs of looked after children and that it was important to get this right.

RESOLVED

1. To note the annual report from the Local Safeguarding Children Board for 2016-17

5.3 Re-ablement Service Scrutiny Report & Action Plan

The **Mayor** introduced the report. He highlighted it as an excellent piece of Scrutiny work adding value to the services of the Council.

Jackie Sullivan from Barts NHS Trust introduced herself to the Meeting. She explained that there were specific actions for Barts in ensuring patients were appropriately cared for by the reablement service, for example by ensuring integrated care plans were developed early. One specific issue that was still being worked on was on ensuring consistency in the style of the medicine charts used.

During the discussion a number of issues were noted including the importance of tackling loneliness and in ensuring that staff considered a holistic view of each patient/service user. Finally the Chair of the Overview and Scrutiny Committee, Councillor Dave Chesterton, thanked everyone who had been involved in preparing the report and action plan.

The **Mayor** welcomed the report, thanked everyone including Barts for their work and **agreed** the recommendation as set out.

RESOLVED

1. To note the report of the Health Scrutiny Sub-Committee and agree the action plan in response to the report recommendations.

5.4 Universal Credit and Local Council Tax Reduction Scheme - Support for Residents

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He explained that it set out how the Council planned to support those impacted by the introduction of the Universal Credit system. The Mayor's Tackling Poverty Fund had been established to provide support in these types of circumstances.

The report set out how support would be provided by the Council as well as from agencies. He noted that there had been a submission to the Cabinet meeting by the Tower Hamlets Community Advice Network in relation to this and he proposed that a meeting be arranged with them as soon as possible to go through the points they raised.

During discussion, Members noted that:

- The work being proposed was not in isolation from other advice support that was available to residents both internally and from external agencies.
- There were specific reason why a new internal advice services was being proposed as opposed to funding an external agency.
- The danger of residents getting into housing debts and the role of the Council in relation to that.

During discussion Members noted a number of issues including the work of the Tackling Poverty reference group, especially in relation to this proposal.

The **Mayor** thanked everyone for their contributions. He agreed that a meeting should be arranged as soon as possible with the Tower Hamlets Community Advice Network to discuss the points they raised in their submission. Turning to Paragraph 3.19 of the report he highlighted the proposed review of the in-house team after 1 year. He agreed with the idea of a review but requested that it be undertaken earlier. He **agreed** the recommendations in the report with those amendments.

RESOLVED

1. To approve the creation of an internal advice and support service for residents affected by the roll out of Universal Credit and self-employed residents in receipt of Local Council Tax Reduction.
2. To agree that specialist services should be commissioned as set out at paragraph 1.2 of the report from a range of independent agencies.
3. To delegate authority to Corporate Director of Resources, after consultation with Corporate Director of Governance, to enter into any necessary agreements following a procurement exercise for the specialist services
4. To note the budget from which staffing requirements were to be funded from the Tackling Poverty Fund.
5. That a meeting be arranged with the Tower Hamlets Community Advice Network and the Mayor.
6. That the proposed review of the in house advice team be undertaken within the first year of service.

5.5 Tower Hamlets Resident Support Scheme

Councillor Sirajul Islam, Deputy Mayor and Cabinet Member for Housing, introduced the report. He explained that it followed on from work examining existing support schemes which would be replaced by these proposals. He noted a particular recommendation was to bring school uniform grants into this scheme.

He thanked officers for their hard work on this issue, in particular Ellie Kershaw, Tackling Poverty Programme Manager.

The **Mayor** welcomed the report as a good news story, highlighting this as an area where many authorities were cutting their funding. He **agreed** the recommendations and thanked everyone for their work on the report.

RESOLVED

1. To approve the attached Residents Support Scheme policy to go out to consultation.
2. To agree the commissioning of a short term pilot to provide support immediately pending the outcome of the consultation.

5.6 Local Business Rates Relief Scheme

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He explained how the government had provided money to mitigate some of the impact of the rise in Business Rates. The report set out how businesses were able to make use of the relief scheme. He noted that, having considered feedback from the consultation exercise, the report proposed the exclusion of certain businesses from the scheme.

During discussion it was welcomed that the Council were making automatic awards to businesses and that these were planned to be sent out shortly after the Cabinet meeting.

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

RESOLVED

1. To agree the proposed scheme in Appendix A to the report, which was to award a total of £4,654,709 to 2,616 local business ratepayers. This represented 80% of the increase experienced by ratepayers as a result of the 2017 Revaluation.
2. To commence rebilling immediately to all qualifying local businesses.

5.7 IDF: Approval of the allocation of S106 funding and approval for the adoption of a capital budget in respect of the following projects: 1. Wood Wharf Primary School PID; 2. Additional 6th Form places - Langdon Park and George Green's School PID

Councillor Amy Whitelock Gibbs, Cabinet Member for Education and Children's Services, introduced the report. She explained that it was a positive report in enabling the expansion of much-needed school provision. This included fitting out a new two form entry primary school and providing additional sixth form places at two schools.

The report set out information for both projects including the specific funding requirements in each case as well demonstrating the overall need for school places. It was noted that at George Green School this work would also enable the replacement of some existing facilities as well as the expansion. The report also set out how the local communities would be able to access the new facilities.

During discussion Cabinet noted the free-school competition process that would need to be followed.

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

RESOLVED

1. To approve the allocation of £3m in Section 106 (S106) funding to the proposals set out in the "Wood Wharf Primary School" Project Initiation Document (PID), which was attached to the Cabinet report at Appendix A and Table 1.
2. To approve the allocation of £7.5m in Section 106 (S106) funding to the proposals set out in the "Additional 6th Form places - Langdon Park and George Green's Schools" Project Initiation Document (PID), which was attached to the Cabinet report at Appendix B and Table 1.

5.8 Amendment to Private Sector Renewal Policy 2016 - 2018

The **Mayor** introduced the report noting that it proposed small changes to the private sector renewal policy. Responding to questions, officers set out how the set procedures ensured that all applications to the scheme would be properly scrutinised.

The **Mayor** thanked officers and members and **agreed** the recommendations as set out.

RESOLVED

1. To make the following amendment to the Private Sector Renewal Policy 2016-2018

Clause 4.1:**Change**

Mandatory Disabled Facilities Grants will continue to be available to eligible owner-occupiers, and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.

These grants are means tested except for the benefit for a disabled child under the age of 18.

Applications for discretionary Disabled Facilities Grant cannot be considered due to budget restrictions

To:

Mandatory Disabled Facilities Grants will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.

These grants are means tested except for the benefit for a disabled child under the age of 18.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

5.9 Cohesion Scrutiny Challenge Report Action Plan

Councillor Asma Begum, Cabinet Member for Community Safety, introduced the report which was following on from the Overview and Scrutiny Committee challenge session.

She highlighted that this report contained an action plan setting out how the Council would be tackling the issues raised in the Scrutiny report.

During discussion members looked at the work was being undertaken to encourage mixing between cultures especially at schools. Officers explained that there was a lot of activity on this with a specific project being rolled out across local schools. It was agreed that this was a particularly important issue to tackle.

The **Mayor** welcomed the report. He confirmed he considered this a very serious issue that required the Council's focus and that he would be keeping a close eye on progress. He agreed the recommendations set out.

RESOLVED

1. To note the report of the OSC, and agree to the action plan in response to the report's recommendations.

5.10 Disposal of Land at Ailsa Street, Lochnagar Street and Bromley Hall Road E14

Councillor David Edgar, Cabinet Member for Resources, introduced the report which related to the sale of Council owned land to support redevelopment of the Ailsa Wharf area. He thanked officers who had worked hard to get the greatest benefit from this site in negotiation with the other interested parties.

During discussion concerns were noted about ensuring Londoners were given the first opportunity to buy properties in the scheme and questions were also asked as to how current users of the site were being managed.

It was noted that Recommendation 4 should be amended to delegate authority to the Corporate Director, Governance, following consultation with the Corporate Director, Place, to enter into necessary legal agreements.

The Mayor noted the exempt appendices, agreeing the reasons for restriction as follows:

By virtue of section 100A of the Local Government Act 1972 and paragraph 3 of Schedule 12A of the Local Government Act 1972, two appendices in this report are exempt as they contain Information relating to the financial or business affairs of any particular person (including the authority handling the information). Specifically, the appendices contain land valuation information and the terms of the disposal; the premature publication of this information could prejudice the Council in negotiating the transaction. In all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the appendices as it could jeopardise the Council's financial position when negotiating the transaction with the developer.

The **Mayor agreed** the recommendations as set out subject to the amendment stated above.

RESOLVED

1. To agree that the land and buildings at Ailsa Street, Lochnagar Street and Bromley Hall Road E14, as shown on the plan at Appendix A to the report, are surplus to the Council's requirements.

2. Having noted the valuation information set out in the exempt Appendix C to the report, agree to the disposal of the Council's freehold interest in the land to Ailsa Wharf Development Ltd on the terms set out in the report and exempt Appendix B to the report.
3. To authorise the Acting Corporate Director, Place, to agree to any non-material variations to the terms and the precise boundaries of the land to be sold in order to implement the recommendations above.
4. To authorise the Corporate Director, Governance, following consultation with the Acting Corporate Director, Place, to enter into the necessary legal agreements required to implement the recommendations above.

5.11 Update of the Strategy for the Identification of Contaminated Land 2017

Councillor Amina Ali, Cabinet Member for Environment, introduced the report updating the Council strategy on identifying and managing contaminated land. She highlighted how important this was in protecting residents.

The **Mayor** considered the report and noted how important it was to protect residents from issues that can be created by contaminated land. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To approve the Tower Hamlets Strategy for the Identification of Contaminated Land 2017.
2. To delegate to the Acting Corporate Director, Place authority to make any amendments to the policy deemed necessary following consultation with the Corporate Director, Governance.

5.12 Corporate Budget Monitoring Report Quarter 2

Councillor David Edgar, Cabinet Member for Resources, introduced the report on the Council's financial position up to the end of September 2017. He noted the projected underspend on the General Fund and on the Housing Revenue Account. He also noted that there were a number of uses of the reserves that had been planned and how officers were working to tackle identified overspends. The Outturns that were projected were good.

For future reports he suggested it was worth expanding information about how the council dealt with planning for inflation.

During discussion it was agreed that more information would be useful about persistent underspends, especially where that could indicate that residents were unaware of certain services.

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

RESOLVED

1. To note the Council's forecast outturn position against Revenue and HRA budgets agreed for 2017-18, based on information as at the end of September as detailed in Sections 3-7 of the report.
2. To note the summary savings position.
3. To endorse management action to achieve savings.
4. To note the position on the Mayoral Priority Budget.

5.13 Mayor's Individual Executive Decisions - List of Recently Published Decisions

The **Mayor** introduced the report noting a recent Individual Mayoral Decision on the Acquisition of Affordable Homes. It was noted that the Overview and Scrutiny Committee had submitted a number of questions in relation to the decision and these had been responded to by officers.

The **Mayor** noted these questions and the concerns that had been raised and he discussed the reasons for the urgency around why the report had been presented as an Individual Mayoral Decision.

RESOLVED

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

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

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

1. 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.

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. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

10.1 Ocean Site H - Revised Capital Estimate

The **Mayor** introduced the report and **agreed** the recommendations as set out.

RESOLVED

1. To agree the recommendations as set out in the report.

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

Nil items.

The meeting ended at 7.37 p.m.

MAYOR JOHN BIGGS

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Debbie Jones, Corporate Director Children's Services</p>	<p>Classification: Unrestricted</p>
<p>Children's Services Improvement- progress report quarter 2</p>	

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

Executive Summary

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

The body of this report includes commentary on progress in the four themes of our improvement plan at the end of its first stage, 'laying the foundations.' Whilst we have met most of the aims of this first stage, giving us a firm foundation for improvement, there remain significant challenges in ensuring that the service improves to meet a 'good' standard and sustains this improvement. The focus in our next stage will be to build on the progress made so that improvement is achieved and sustained.

Recommendations:

The Mayor in Cabinet is recommended to:

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

1. REASONS FOR THE DECISIONS

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

2. ALTERNATIVE OPTIONS

2.1 There are no alternative options to consider.

3. DETAILS OF REPORT

- 3.1 In April 2017, Ofsted published its report rating our services for children in need of help and protection, children looked after and care leavers and the local safeguarding children board inadequate overall (but with some areas requiring improvement.) Subsequently Cabinet agreed an improvement plan on 27th June which has now been agreed by the Department for Education and Ofsted.
- 3.2 The improvement plan responds directly to the 15 recommendations identified in the Ofsted inspection report. It is an operational tool used by managers and frontline staff to drive our improvement activity which, crucially, focuses on the impact changes will have for vulnerable children. It is monitored and updated on a monthly basis by the Children's Services Improvement operational board, chaired by the Director of Children's Services, and every six weeks by our independently chaired improvement board. Quarterly updates are reported to Cabinet. The first quarterly update, covering the period from April to June 2017, was considered by Cabinet on 19th September and this second update report details progress made between July and the end of September 2017.
- 3.3 In July 2017 the Department of Education (DfE) appointed Lincolnshire and Islington councils as our practice partners (PPs). The role of the PPs is to support us in our improvement journey by acting as external expert advisors. They will provide regular reports on progress which will be shared with the DfE. The focus of their support will be in the following areas where they have specific expertise that the council can learn from:
- Early help
 - Workforce strategy
 - Leadership and governance
 - Commissioning
 - Finance
 - Looked after children
- 3.4 The council aims to achieve at least a 'good' rating for its children's services within two years, by April 2019. This is an ambitious undertaking given the extent of failings identified in the Ofsted report and the level of change required. Our improvement plan sets out a three stage journey to achieving this aim. The end of September marked the end of the first stage, 'Laying the Foundations.'
- 3.5 The table below shows overall progress in the aims that we set for this first stage. This work has put in place the foundations to ensure that improvement is built upon and sustained over the length of the programme:

Our aim	Progress and outcome
<p>Complete data cleansing to ensure that we have accurate management information</p>	<p>Data has now been cleansed across all areas of the service, this means that we have an accurate picture of performance to enable effective oversight of our services. Regular monitoring of data at child level, and case auditing activity, means that we now have greater control of data quality going forward and can actively tackle drift and delay in cases – a key issue highlighted by Ofsted. The extent of the problems with data quality before our improvement programme started means that in many areas reported performance has initially declined. We expect to see improvements over the next phase of the improvement programme.</p> <p>The availability of accurate data and the improved oversight this brings, is fundamental in ensuring that children receive appropriate and timely support and will support improved outcomes across the service.</p>
<p>Establish governance and performance management arrangements</p>	<p>The governance structure is in place, as reported in detail in the last quarterly update. Improvement activity is overseen by an independently chaired improvement board that includes elected members, senior council officers and partners. Progress is reported regularly to the corporate leadership team and elected members, including quarterly updates to Cabinet, Best Value Improvement Board and Overview and Scrutiny.</p> <p>Performance management arrangements are being embedded operationally through a system of performance surgeries using child level data. This is also supported by a programme of quality assurance activity including case audits, dip sampling and visits to services by senior managers and elected members.</p> <p>These governance and performance management arrangements ensure that there is clear leadership, accountability and transparency in our improvement journey and that children receive appropriate and timely support.</p>
<p>Put in place ‘back to basics’ training for social work staff</p>	<p>This training started in October and the programme will be completed by December. Feedback from staff so far has been largely positive. We are developing further training to be delivered from January in line with the development of our social work model (see</p>

Our aim	Progress and outcome
	<p>below).</p> <p>Improving the skills of our workforce will ensure that children and families receive better quality support that is effective in meeting their needs.</p>
<p>Complete our initial recruitment campaign and workforce strategy</p>	<p>The initial recruitment campaign was reported in the last quarterly report. We have now launched a rolling recruitment campaign which has been refocused to better attract social work staff to work in the borough. We have particularly attracted candidates at service and team manager levels, and have successfully recruited to all vacant team manager posts subject to clearance. This is positive, but we need to do more work to bring in excellent social workers. Our workforce strategy has been completed in draft form but is subject to some further work before its completion.</p> <p>Effective implementation of the workforce strategy will ensure that we have a stable workforce that is equipped with the skills needed to provide an effective and timely service meeting the needs of children and their families.</p>
<p>Restructuring our children's social care service to improve management and accountability</p>	<p>The service has been restructured into smaller team units, which are modelled on consistent and manageable caseloads and with clear accountability to a single team manager. This will improve management oversight resulting in a better grip of casework. The new structure went live on 1st October. Although it is too early to say whether this has impacted on performance, feedback from staff has been positive.</p> <p>The restructure will improve the management of casework across the service by ensuring that social workers have manageable caseloads and that management oversight is improved.</p>
<p>Complete our early help review with clear implementation plan</p>	<p>The review has been completed and implementation of its recommendations is underway. This will ensure that there is a more effective and joined up response to the needs of families so that we can help them before they need social care intervention.</p>

3.6 The next stages on our improvement journey are as follows:

Stage 2- Embedding sustained improvement

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

Stage 3- Continuous improvement to a 'good' children's service

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

3.7 Our progress will be monitored by Ofsted through quarterly monitoring visits. The first of these visits took place on 30-31 August. They found that considerable progress has been made to improve the service, although at this early stage in the improvement programme there remain challenges in ensuring that this progress is consistent across the service and sustained. In their feedback letter, they said:

“...the evidence gathered during this visit has identified a substantial recent improvement in the quality of practice and management oversight in both the MASH and the AI service. Many of the changes are very recent and need to be embedded. Senior leaders now have a more accurate awareness and overview of key strengths and weaknesses across the service. Significant challenges remain to further develop the workforce, particularly to ensure the recruitment and retention of staff in order to increase capacity. Nevertheless, leaders and managers demonstrate considerable determination, commitment and tenacity to embed and sustain these changes while simultaneously addressing the areas of poor practice.”

3.8 Ofsted noted the considerable progress that had been made in the following areas:

- Stronger partnership working in the Multi-Agency Safeguarding Hub, where concerns about children are first raised e.g. by schools, the police, other agencies or families.
- More effective processes and decision making, ensuring urgent cases are prioritised with others processed in a timely way
- Improved quality of decision-making in the assessment team, with children seen more quickly and as often as needed, and more children-centred assessments and plans
- Better management oversight of cases ensuring that social workers are given clear direction to prevent drift and delay and improve quality of practice
- A more thorough understanding of the effectiveness of casework through improved systems for the use of management information and casefile audits.

- 3.9 Ofsted's second monitoring visit took place on 12th and 13th December. This focussed on our Family Support and Protection service. We have not yet received formal feedback from this visit.
- 3.10 On 27th June 2017, the Mayor in Cabinet approved our summary improvement plan, setting out the 10 components of a successful children's service and our vision of what a 'good' service will look like. To give them focus, the objectives and actions that are being implemented to achieve this vision are grouped under 4 themes that directly relate to the findings of the Ofsted inspection. This report sets out the contribution that our improvement plan and each of its themes is making towards this vision.
- 3.11 Additional capacity has been provided to the service to ensure that rapid progress can be made whilst maintaining day to day service provision. An experienced interim Divisional Director for Children's Social Care has been appointed to implement operational improvements and provide leadership in our improvement journey. A new Divisional Director post has been created and permanently recruited to which covers children's commissioning, including social care placements and early help, which further adds to capacity at senior management level. Additional capacity has also been put in place at service manager level. The budget for Children's Services has been increased by £5.2m in 2017-18. Further one –off investment is also being made to support the implementation of the improvement plan. The budget for this will be finalised by January 2018.
- 3.12 The following paragraphs set out in more detail the progress that has been made in each of the four themes of our improvement plan.

Theme 1- Leadership, Management and Governance

- 3.13 The focus in this part of the plan has been to implement a robust governance structure with a supporting performance management framework, a workforce strategy and address sufficiency issues in relation to emergency and unplanned placements. This will contribute to the following components of our vision:
- A whole council vision for excellence
 - An outward facing organisation and culture
 - Corporate and political support and an ambition for excellence
 - Strong member- officer relationships based on trust and constructive challenge
 - A clear 'golden thread' from the political leadership through to the frontline
 - Strong and dynamic leadership throughout the organisation
 - A permanent and stable workforce with capacity and resources
 - Strong coherent partnerships at strategic and operational level
- 3.14 As reported above, governance and performance management arrangements have been put in place as part of phase 1 of our improvement programme. In addition, political leadership and knowledge of children's social care has been further embedded, through two seminars for all Members; a planned seminar

specifically on Child Sexual Exploitation; practice visits for the Mayor, Lead Member and Scrutiny Lead; spotlight sessions at Overview and Scrutiny Committee; regular discussion at Cabinet and pre-Cabinet meetings; verbal briefings by the Director for opposition Members; and fortnightly meetings between the Mayor, Lead Member, Chief Executive and Corporate Director, alternately attended by the independent Improvement Board Chair.

- 3.15 Staff recruitment and retention remains a challenge. In October, 35% of posts across the service were filled by agency staff, rising to 75% in the 'front door' teams within Assessment and Early Intervention. This is due to the competitive nature of the market for qualified social workers, coupled with the pressure of increased workload and the drive for improvement post Ofsted. Since our last quarterly report, we have refocussed our recruitment campaign, streamlined recruitment processes and have attended a high profile social work recruitment fair in November, where we attracted a high level of interest and conducted pre-screening interviews. We have also attracted more of our agency social workers to move into permanent posts to introduce further stability in the workforce. The vacant posts in the senior management team in Children's Social Care that are currently occupied by interim staff have been recruited to subject to clearance. There has been a good response and we expect to fill all of these posts through the current round of recruitment. Enhanced support is being put in place for newly qualified staff to ensure that retention is improved as part of the medium to long term strategy to 'grow our own' staff.
- 3.16 Our 'back to basics' training programme is being delivered and will be completed by December 2017. This will be followed with a course of training in systemic social work practice. These courses of training are supplemented by ongoing training in specialist areas such as recognising and responding to child sexual exploitation and Domestic Abuse. This programme will ensure that the knowledge and skills of our staff are increased to address issues raised by the Ofsted inspection, whilst also supporting our staff retention strategy.
- 3.17 Our workforce strategy is currently in draft form. It sets out the medium to long term approach to developing a sustainable and high skilled workforce and our vision to make Tower Hamlets one of the best places to be a social worker. While the strategy has not yet been completed, work is already underway on key elements to ensure that we move towards a stable workforce as quickly as possible.
- 3.18 Sufficiency of emergency and unplanned placements remains an area of concern. Too many children experience having to move between different placements, leading to instability and disruption. Our sufficiency strategy has now been completed, addressing the availability of suitable residential and foster care placements for our current cohort of looked after children. The strategy also introduces new 'edge of care' services for families with older children who are likely to enter the care system where appropriate support for the family may be able to prevent this, enabling them to stay at home. This will improve outcomes for these children as well as reducing demand for care placements helping us to better manage the budget for children's social care.

3.19 The remaining challenges relating to workforce and sufficiency of looked after children are the main focus of this theme in phase 2 of the improvement programme, as we move into completion and implementation of the two strategies outlined above.

Theme 2- A robust model of social work practice.

- 3.20 This theme is the main 'core' of our improvement plan and focusses on improvements in practice within the Children's Social Care service. The service manages all contacts received by the council where there are concerns about a child's welfare through to statutory assessments and interventions for children. This includes the placement and support of looked after children as part of the council's corporate parenting responsibilities.
- 3.21 The theme contributes to the following components of our vision:
- A strong model of practice, with good checks and balances
 - Clear and embedded systems, processes and data
- 3.22 The council's approach to practice improvement includes greater clarity in practice standards ('what good looks like'), management action on compliance with standards and recording, and the systematic use of data and case audits to lift quality and consistency.
- 3.23 Our quarter 1 monitoring report set out the initial focus on the 'front door' of MASH and A&I. The early success of this approach was validated by Ofsted in their first monitoring visit as set out earlier in this report. Our performance monitoring and quality assurance activity shows that this improvement is being sustained and built upon, with more timely and consistent decisions meaning that children who are referred to the service get the help that they need. For example, more assessments are being completed within 45 working days, and more child protection conferences are taking place in a timely way. The proportion of children being seen by a social worker within appropriate timescales has also significantly improved. As well as being more timely, our case auditing is showing that the quality of work is improving. This means that we can be more certain that children are receiving appropriate and timely interventions to keep them safe.
- 3.24 Activity in the second quarter has focussed on achieving similar improvement in the Family Support and Protection (FSP) teams, who deal with longer term casework of children who are assessed as being in need or subject to a child protection plan. All cases held by the FSP teams have now been reviewed, to ensure that the information held about them is accurate and that they are effectively managed to ensure appropriate and timely support is in place for families and that children are kept safe. Management oversight across the service has been improved and in October, 86%, of cases had management oversight recorded in the last 8 weeks. Our target is for 90-95% of cases to receive this level of oversight and we expect to move closer to this target over the next quarter as our new organisational structure beds in. The improvements in case management across the service have resulted in an increase in the proportion of children in need that have plan in place from 51% in June 2017 to 65% at the end of October, a figure we expect to increase further as this work progresses. Approximately 86% of these

children had a review of their plan within the last six months. At the same time, the proportion of children subject to a child protection plan who had been visited by a social worker within the past four weeks increased to 90%.

- 3.25 In our last quarterly report we reported concerns about practice in relation to identifying where the 'toxic trio' of domestic abuse, parental substance misuse and mental health requires support from children's social care. Since then, daily meetings have been introduced in our Multi Agency Safeguarding Hub (MASH) to ensure that risk is appropriately identified. This is reflected in the increase in the proportion of contacts that are progressing to referral from 32% in April 2017 to 37% in September.
- 3.26 The review of our early help services has now been concluded. As a result we are now implementing changes to the way we support families before they need help from social care services, to prevent problems from escalating and manage demand in the social care system. These changes will see the implementation of a 'single front door' and multi-disciplinary, locality-based teams to ensure that the right families receive the right support in a timely way, and that resources are properly targeted to areas of need. Phase 1 of these changes will be implemented by April 2018.
- 3.27 In light of ongoing concerns about our local thresholds for social care intervention, in particular the extent to which these are well understood by partner agencies, a decision has been taken through the Local Safeguarding Children Board to adopt the Pan London child protection thresholds. This will bring us in line with most other London boroughs and help to ensure consistency. Work is underway with partners to implement the new thresholds and this will be completed by mid-December 2017.
- 3.28 Alongside this work, we are consulting with staff on a new model of social work practice following a decision to move away from the 'signs of safety' model, which Ofsted found had been poorly implemented. Initial feedback from staff about this change has been largely positive with a core group of social workers involved in developing the new model. This work will be completed by early 2018.
- 3.29 Whilst good progress has been made across this theme, there remain significant challenges in ensuring that social work practice is consistently robust. Whilst the improvements noted above are significant, performance is not yet at the level that would be expected from a 'good' service. Over the next quarter, following the action taken to address the fundamentals of performance management and quality assurance, and the restructure of the service, we expect to see sustained improvement in all areas of work to demonstrate progress. The work that is ongoing as part of theme 1 to address our workforce challenges will be key to this as they begin to deliver a more stable and skilled workforce.

Theme 3- A sufficient and skilled workforce

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

- A strong model of practice, with good checks and balances
 - A permanent and stable workforce with capacity and resources
- 3.31 Management oversight in the last quarter has consistently achieved a level of performance which at 86% of cases reviewed within the last 8 weeks is an improvement from 60% in April 2017. We have not yet met our 95% target, but following the restructure of the service which was effective from 1 October and introduced more manageable case numbers for team managers, we expect this figure to improve. Training for managers is being delivered as part of our 'back to basics' programme which will further support improvement in this area.
- 3.32 Following the implementation of child level reporting, private fostering cases are reviewed at 3 weekly performance surgeries. Work to ensure that privately fostered children have an updated assessment has been completed and all of these children now have a child in need plan. All privately fostered children have had an audit and up to date assessment. Under the regulations, privately fostered children should have a visit every 12 weeks; as good practice the service has determined that all these children should also have a reviewed CiN plan to ensure we are meeting the needs of this cohort as identified in the assessment. New processes are in place to ensure that any child that fits the criteria for private fostering has a MASH assessment prior to be referred into the private fostering team. This is to ensure that information is shared at a multiagency level at the earliest opportunity.
- 3.33 ***Theme 4- Quality Assurance and audit***
- 3.34 This theme supports the following components in our vision:
- Clear and embedded systems, processes and data
 - A strong model of practice, with good checks and balances
- 3.35 Our quality assurance and audit programme was fully launched in August 2017 and we are continuing to use audit activity systematically to inform our improvement activity under theme 2. A further 30 auditors will have been trained in November to increase capacity.
- 3.36 As part of embedding Quality Assurance at all levels, Ofsted recommended that we take forward "Practice Week", where senior leaders spend time with frontline social workers reviewing cases and shadowing their work with children and families. An initial Practice Day was delivered in October, attending by the Lead Member for Children's Services, Scrutiny Lead for Children's Services, Corporate Director and Divisional Director. A Practice Week is scheduled for late November.
- 3.37 Ensuring that care leavers have up to date and reviewed pathway plans is another subject of this theme. Whilst the proportion of care leavers with a pathway plan has been maintained at 96%, the percentage that were reviewed in the last 6 months started to improve in October but still requires significant improvement. This is under review and will be informed by the dip-sampling activity that has taken place; the Leaving Care team has been given clear guidance around expectations.

Next Steps

- 3.38 Cabinet will receive a further update on progress in three months' time. The key priorities for the next monitoring period, will be:
- Completing and beginning implementation of the workforce strategy, starting to address the challenge of permanently staffing the children's social care service.
 - Implementing the sufficiency strategy, in particular the immediate actions to support families with older children that are at the point of entering the care system (on the 'edge of care.')
 - Consolidating and building on the improvements we have made in performance and quality across the social care service, including embedding the new ways of working associated with the new team structure.
 - Beginning our implementation of the new model for early help services.
 - Implementing the new child protection thresholds.
 - Strengthening data systems to support robust performance management and reporting, and streamline processes for staff.
 - Implementing our new model of social work practice.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 It is acknowledged that the implementation of the Children's Improvement Plan will only be achieved by Council leadership providing the financial resources required for its delivery.
- 4.2 Significant additional resources have already been identified as part of the 2017-2020 MTFS; in particular total additional growth of £5.2m addressing pressure in a range of areas, most of which feature in the improvement plan.
- 4.3 Council leadership is also committed to providing one-off investment funded via Transformation Reserve to support the implementation of the improvement plan. The estimated cost of the improvement plan is being finalized and would be reported to Members in January 2018 as part of the Council's normal budget management reporting mechanism.
- 4.4 The level of the one-off funding sought will be based on detailed assessment of the costs associated with the improvement plan and the demonstrable improvements that will be achieved as a result of the investment.

5. LEGAL COMMENTS

- 5.1. The framework for Ofsted inspections of Children's Services is set out in sections 135-142 of the Education and Inspection Act 2006 ('the Act') and associated Employment and Education Act 2006 (Inspection of Local

Authorities) Regulations 2007 ('the Regulations'). Ofsted's "Framework and evaluation schedule for the inspections of services for children in need of help and protection, children looked after and care leavers and Reviews of Local Safeguarding Children's Boards" ('the SIF') sets out a single assessment framework for assessing local authorities during inspections conducted under section 136 of the Act. Local authorities are graded outstanding, good, requires improvement or inadequate in each of the areas inspected.

- 5.2. In light of the Council's rating of inadequate in 2 out of the 3 areas assessed, Ofsted's "Monitoring and re-inspection of local authority children's services judged inadequate" guidance will apply. Ofsted will carry out a programme of monitoring activities, including quarterly monitoring visits, to report on the progress made by local authorities. Ofsted's lead inspector will review the Inspection Improvement Plan to ensure that it reflects the recommendations contained in the inspection report. Ofsted will usually re-inspect a local authority judged inadequate at its last inspection within two years of it submitting its action plan, usually after at least four quarterly monitoring visits.
- 5.3. In respect of the recommendations contained in the report, the Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 5.4. The recommendations that the Mayor in Cabinet should endorse the progress made in delivering the children's services improvement programme and agree the next steps in the improvement journey, are consistent with the Council's duty to secure continuous improvement in its functions. Failure to make the necessary improvements to children's services could result in the Secretary of State appointing a Children's Services Commissioner or removing service control from the Council.
- 5.5. In carrying out its functions, the Council must also comply with the public sector equality duty set out in section 149 Equality Act 2010, namely it must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and to foster good relations between persons who share a protected characteristic and those who do not.

6. ONE TOWER HAMLETS CONSIDERATIONS

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

7. BEST VALUE (BV) IMPLICATIONS

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

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no implications.

9. RISK MANAGEMENT IMPLICATIONS

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

Description	Mitigation / Resolution
If the staff culture at all levels in the organisation does not change to address the problems identified by Ofsted, improvement in children's services will not be achieved.	Robust corporate governance to ensure clear ownership and accountabilities for improvement. Sustained management focus on compliance with practice standards. Robust communications with staff and partners.
If progress and improvements are not sustainable in the long term, the service may become inadequate again	Robust financial planning to ensure that the service is sufficiently resourced. Investment in workforce strategy to ensure that there is a stable and highly skilled workforce with long term plans to sustain this.
If leadership capacity and permanence are insufficient, the improvement plan may not be successfully implemented and/ or improvements may not be sustained.	Review of leadership structure to ensure capacity is sufficient. Workforce strategy to address recruitment, retention and development of leadership capacity.
If the children's social care service is not sufficiently resourced in line with a high and increasing volume of casework, it will not be possible to achieve a good standard of practice	Robust financial planning as part of corporate budget processes to ensure that there is sufficient budget for current and future service need. Ensure that temporary resources are only used for one off improvement activity and that any permanent budget requirements are identified separately and planned for.
If the service response is inadequate, then children may come to significant harm.	Robust monitoring and oversight of casework. Effective performance management and quality assurance framework, and robust governance. Staff development to ensure correct skills level.

Description	Mitigation / Resolution
If skilled and experienced staff leave the organisation as a result of rapid change activity, then there may be capacity issues within the service and multiple changes in social workers for children and families to cope with.	Ensure that staff are supported through change. Provide effective workforce development opportunities. Recruitment and retention strategy put in place.
If new staff cannot be recruited, then there may be capacity issues and financial pressures within the service.	Recruitment and retention strategy: ensure pay and benefits are competitive and robust approach to recruitment advertising targeted in the right areas
If there is low level compliance with the TH model of social work and statutory requirements, then children may come to significant harm.	A training programme has been put in place for all staff to ensure there is a clear understanding of the TH model of social work, and statutory requirements.
If the pace of progress in implementing the improvement plan is not fast enough to meet the requirements for 'good' by April 2019, then Ofsted may subject the service to additional measures and/ or intervention by commissioners.	Ensure sufficient resourcing of improvement plan; Rigorous and systematic monitoring of improvement plan; performance management and quality assurance framework
If the quality of the data is poor, then it may result in inaccurate performance monitoring and analysis, and ultimately risk to children.	Data cleansing of existing data; Implementation of robust use of child level data by team managers; data quality reports; action by managers to ensure that data entered into case management system is accurate
If the council's political leadership across all parties are not fully engaged or aware of their roles and responsibilities in relation to children's services, then there may be a lack of appropriate scrutiny and accountability.	A training seminar has been planned for all members to outline their roles and responsibilities, as well as increasing their knowledge around the potential social care journey of the child. Ongoing regular meetings with the Mayor, Lead Member, Chief Executive and Corporate Director. Support for Overview & Scrutiny.
If partners are not fully engaged or aware of their roles and responsibilities in relation to the improvement activities, then some improvement actions may not be achieved.	Senior leadership from key partners are members of the Children's Services Improvement Board to ensure they are involved in the strategic development and oversight of their agency's involvement. The LSCB has strengthened its leadership structure and focus.
There is a risk that ICT infrastructure problems prevent access to systems and/ or management information undermining improvement progress	Contingencies are in place to access child data in the event of ICT outage. Social work staff have been prioritised for access and support as required when systems experience issues. Improvement plan in place to ensure improved reliability within 12-18 months.

10. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

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

11. SAFEGUARDING IMPLICATIONS

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

Linked Report

- NONE

Appendices

- NONE


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

- NONE

Officer contact details for documents:

N/A

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<p>Cabinet</p> <p>19 December 2017</p>	
<p>Report of: Will Tuckley, Chief Executive</p>	<p>Classification: Unrestricted</p>
<p>Update on implementation of the Mayor’s Transparency Protocol and response to the OSC Transparency Commission Report</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	Shahanaz Begum - Senior Strategy, Policy & Performance Officer
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This paper provides updates on the progress made in implementing the actions set out in the Mayor’s Transparency Protocol and the recommendations arising from the Overview and Scrutiny Transparency Commission report. As the work around these two initiatives have naturally converged, this report provides a combined picture of the current position on the Council’s overall work to drive forward the vision of a more open, accountable and transparent organisation.

The Mayor’s Transparency Protocol consists of 18 overarching actions, with 33 sub-actions. 27 of these have been completed, and six are behind schedule. The Transparency Commission made 17 recommendations. 46 actions were undertaken to meet these recommendations, of which 12 are behind schedule.

Those behind schedule include: work around the Community Engagement Strategy, which is set to be finalised by early next year; the policy on exempt papers which is to be agreed later this year through the Member/Officer Relations Protocol; some actions regarding data publication that are dependent on the implementation of new software, which is imminent; the e-petition facility which is to be finalised as part of the E-petition Scheme by the end of the year; and the new whistleblowing policy, which has been prepared and is in the process of being agreed and implemented. These outstanding actions are therefore being actively progressed and further details have been outlined in **Appendix B and C**.

While transparency and accountability remain a matter of real interest and concern to local people, the Annual Residents Survey (ARS) 2017/18 results show that 79% of residents trust the Council ‘a great deal’ or ‘a fair amount’ - up 7 points on last year, and well above the trust rating for councils nationally (59%). 59% also agreed

that the Council is 'open and transparent about its activities' - up 7 points on last year. 72% are satisfied with the way the Council runs things - close to last year's rating and a historical high – and 78% felt the Council was doing a good job - up 6 points over the year. Despite this, the Council recognises that there is still further work to do, and remains committed to becoming a more open and transparent organisation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the progress in delivering the actions set out in the Mayor's Transparency Protocol (**Appendix B**) and the actions agreed to in response to the Transparency Commission's recommendations (**Appendix C**).
2. Approve the summary of key achievements on the Council's transparency agenda (**Appendix A**) and decide if and how this information should be publicised.

1. REASONS FOR THE DECISIONS

- 1.1 A key Mayoral commitment was to make the organisation more open, transparent and accountable. The Mayor agreed a Transparency Protocol on 3rd November 2015. The Overview and Scrutiny Committee concurrently put together a Transparency Commission to discuss what more could be done to ensure the Council was as transparent as possible going forward and produced a number of recommendations. An action plan was subsequently agreed, to further these recommendations.
- 1.2 This report provides progress updates against the actions from both of these pieces of work.

2. ALTERNATIVE OPTIONS

- 2.1 The Mayor in Cabinet can decline to note the progress. This is not recommended as the Council has done significant work to improve transparency across the organisation and has committed to undertake a number of actions over the coming months to further progress the agenda. These are highlighted in this report.

THE TOWER HAMLETS TRANSPARENCY AGENDA

3 Background

- 3.1 Lack of transparency was an issue identified in the Best Value inspection of the Council in 2014 and a key theme of the last mayoral election. On 3rd November 2015, the Mayor put a paper before Cabinet that set out a number of principles to demonstrate his personal commitment to governing in a transparent way in order to help create a culture shift within the organisation as a whole. An action plan from this was agreed (Appendix B) to be delivered

in the short to medium term. In the same year, the Overview and Scrutiny Committee conducted a scrutiny review focusing on transparency and a number of recommendations arose from this (Appendix C).

- 3.2 In October 2016, an update report was taken to Cabinet, outlining the activity that had taken place against these two action plans. It highlighted the work that had been done across six broad areas of work. These included: decision making; scrutiny; community engagement; digital engagement; organisational culture; and publication of data. A natural alignment developed between the Commission's recommendations and the Mayor's Transparency Protocol; both call for more accountability, accessibility and openness, and more engagement with residents, service users and the public in general in order to instigate an overarching organisational culture shift.
- 3.3 This report provides a further progress update on this work and begins to draw out the outcomes achieved as we reach the end of the activities outlined in the two plans, recognising however, that we still have a significant way to go. Therefore, included here are activities that we will also undertake to continue to take this work forward, and ensure that we deliver against the key outcomes outlined.
- 3.4 Through this continued work, the Council will aim to become a borough that:
 - Continuously provides opportunities for the public to hold it to account, whilst also ensuring that it always takes itself to account first;
 - Provides quality data, which is clear and easy to understand, accessible and kept safe;
 - Involves residents in the design and delivery of services enabling a more open and collaborative approach to Council business.

4. WHAT HAVE WE ACHIEVED SO FAR?

- 4.1 The Council has made considerable progress over the last two years in becoming a more open and transparent organisation. The work to date strongly indicates that a culture of openness, accountability and engagement is beginning to become embedded in the way that we do business, but that this is not the end.
- 4.2 The Mayor's Transparency Protocol (Appendix B) consists of 18 overarching actions, with 33 sub-actions. 27 of these have been completed, and six are now behind schedule. These outstanding actions are being actively progressed and reasons for their delay have been outlined in Appendix B. The Transparency Commission made 17 recommendations (Appendix C). 46 actions were undertaken to meet these recommendations, of which 12 are behind schedule, but with reasonable timescales in place to deliver them.
- 4.3 A number of important outcomes have emerged from this activity, moving us toward our objective of becoming a more transparent organisation. These include becoming a more accountable, accessible, engaged and open Council. Below is an outline of how we have begun to achieve these outcomes and what we are continuing to do to progress them further:

4.4 A more accountable Council –

- 4.4.1 The ARS 2017/18 showed that 79% of residents trust the Council ‘a great deal’ or ‘a fair amount’ - up 7 points on last year, and well above the trust rating for councils nationally (59%). 59% also agreed that the Council is ‘open and transparent about its activities’ - up 7 points on last year. 72% are satisfied with the way the Council runs things - close to last year’s rating and a historical high – and 78% felt the Council was doing a good job - up 6 points over the year. Three quarters also felt the Council was ‘efficient and well run’, another improvement over the year (+7 points). This shows a positive trajectory in resident perceptions of the Council as an accountable body.
- 4.4.2 Tied in with this is the work that has been undertaken around the use of individual Mayor’s decisions. These have been limited to only urgent issues and those that have minor policy implications, ensuring that more decisions are made in public Cabinet meetings providing greater opportunities for pre-decision scrutiny from non-executive councillors and local people. Details of reasons for the use of individual Mayor’s decisions are also published. This process has continued to be monitored and was recently evaluated, resulting in changes that allow the Mayor to have earlier sight of items to provide more time to ensure that more decisions go through to Cabinet rather than be taken as an individual Mayoral decision. This reiterates the strong presumption in favour of Cabinet.
- 4.4.3 The Council’s scrutiny function has been further strengthened with two new sub-committees for Grants and Housing which enable cross-party member scrutiny, in public, on grants allocation and strengthens members and local people’s involvement in scrutiny of housing issues. The Housing Scrutiny Sub-Committee has since conducted a pilot scrutiny on housing, providing feedback to Registered Providers, scrutiny panels, residents and members. Their first review involved a resident survey on under-occupation to gauge levels of under-occupation in the borough and suggest possible solutions. The Grants Sub-Committee continues to have sight of all grants allocations and has also carried out a review on better social value within our procurement process.
- 4.4.4 The Overview and Scrutiny Committee continue to meet the week before Cabinet, enabling Cabinet to consider pre-decision scrutiny questions and comment in greater depth to influence their decision making. Alongside this, regular review of the Executive Forward Plan allows the Committee to discuss reports before Cabinet decisions are made.
- 4.4.5 Furthermore, the Infrastructure Delivery Board was set up last year to manage the disbursement of the Community Infrastructure Levy (CIL) and S106, to make this more transparent and ensure the involvement of local people. The Mayor has allocated 25% of the CIL receipts for a Local Infrastructure Fund (LIF), 10% more than statutorily required. This gives local communities greater influence over how that money is spent as Neighbourhood Forums have the right to develop their own plans for this fund, which if appropriate, determines how the LIF is spent in that area. Where this option is not

adopted, a two-stage consultation process will still take place. The Board also receives monthly financial updates on both streams of funding. All decisions relating to LIF are taken to Cabinet, along with any major CIL decisions, ensuring greater scrutiny.

4.4.6 Regarding internal working, the Council's revised HR strategy aims to embed an organisational culture that integrates an ethos of openness, wider engagement and stronger working relationships into every day working. This is further reinforced by the work on the Council's refreshed Core Values – Together, Open, Willing, Excellent and Respect (TOWER). To help engrain and socialise the values amongst staff, and to bring about the desired organisational culture change, the HR team has provided managers with a toolkit to be used in team meetings to measure performance against each of the values.

4.4.7 We have recently developed a revised whistleblowing policy and procedure. An easy mechanism to enable Councillors, employees, contractors, suppliers and partners to voice concerns about any wrongdoings in a responsible and effective manner will be put in place. This demonstrates a commitment to put the concerns of employees and local people first and for fair and transparent decision making.

4.4.8 Earlier this year, the Council also set up a Clear Up project, with an independent team to deal with any remaining allegations of impropriety or serious concerns residents or staff might have. A report and recommendations were presented to Cabinet in June 2017 and the Council is now advancing those recommendations.

4.4.9 27 Chief Executive roadshows have been coordinated over the past year to increase engagement and understanding between all levels of the organisation. These were held across Council sites and at different times of the day. 1,506 staff have attended so far. Further roadshows are set to take place throughout November and December 2017.

4.4.10 We will continue to be more accountable by:

- Being reassessed for Investors in People accreditation over the coming months. This external benchmark will continue in supporting us to become a more effective organisation;
- Working with an external facilitator who will undertake team development work with the Corporate Leadership Team
- Embedding the refreshed core values by aligning them with managerial competencies;
- Implementing changes to arrangements for convening corporate Trade Union Fora meetings and the agenda format for those meetings, which will take place on a fortnightly basis, and which will cover contemplated and proposed restructures/transfers, proposed changes to terms and conditions of employment for staff and matters of disagreement and/or for escalation;

- Giving consideration to reviewing the Council's code of conduct for employees, and to the role of Members on employment matters (e.g. recruitment, and discipline).

4.5 A more accessible Council -

4.5.1 With 92% of residents having internet access, the Council has recognised that digital engagement is a key tool in engaging effectively with local communities. Consequently, the Council has begun using social media to raise awareness about decisions being made by Cabinet and the impact it will have locally. Full Council and Cabinet meetings are now webcast and available to view on the Council website with further work being undertaken to explore how people can get involved in meetings using social media. The public themselves are also able to film all formal meetings. Key Cabinet decisions are publicised via press release and social media.

4.5.2 In addition, an e-mail subscription list has been set up to allow local people to receive e-newsletters on a range of topics, which now includes specific newsletters on Public Health, Leisure, Community Safety, Licensing and Planning. Subscriptions have increased from 10,000 to 20,000 throughout the first half of 2017, and new delivery software will enable us to increase this number and segment the audience so that we are able to provide them with newsletters that are even more tailored to their interests. People can also sign up to receive alerts when agendas to particular Council meetings are published, or when issues relating to their wards are published.

4.5.3 The refresh of the Council's Performance Management and Accountability Framework (PMAF) has been completed with a focus on strengthening monitoring, reporting, review and challenge. As a result, the Council is adopting Outcome Based Accountability which will simplify performance management and reporting.

4.5.4 The planning and building control website was recently re-written, with more up-to-date information, elimination of any duplication and to provide easier access and information in plain English.

4.5.5 A Digital Inclusion Strategy was implemented, which served to upskill community and voluntary sector partners as well as provide access to digital tools and services to residents, so that they are better able to access relevant information and tools. Work on this will continue.

4.5.6 We will continue to be accessible by:

- Continuing to liaise with Idea stores, leisure centres and other places where we have face-to-face contact with residents to obtain more email addresses to add to our email subscription list. The procurement of new software to enable us to better engage with local people via e-bulletins and for them to receive information about events, meetings and activities that interest them is in progress to aid with this;
- Implementing the Customer Access Strategy;

- Implementing a new performance management system, Covalent, to further improve data quality and accessibility;
- Implementing the Council's new data publication platform, Socrata, which has the potential to significantly change the way we publish data, making it much more accessible and useful;
- Reviewing our planning Statement of Community Involvement (SCI) to look at the possibility of utilising technology in the further targeting of notifications and accessibility of information on planning applications;
- Progressing further work on the planning and building website to utilise other technological advances which help residents access the information they want quickly and easily.

4.6 **A more engaged Council -**

- 4.6.1 Residents were asked whether they felt they could influence decisions affecting their local areas: 58% agreed they could, while 37% disagreed. The percentage who agreed is up 9 points over the year - a significant rise. The Council has continued to work towards improving this.
- 4.6.2 Ten 'Ask the Mayor' events have been held across the borough at local community venues, with nearly 1000 people in attendance so far. They have offered local people the opportunity to raise issues of concern and get involved in local initiatives. The feedback has been very positive.
- 4.6.3 The Council's Community Engagement Strategy is in the process of being finalised. It aims to support strong, active and inclusive communities who can influence and shape their borough, as well as improve the organisation's ability to effectively inform, engage, involve and empower local people. With the principle of co-production at the heart of this strategy, a pilot has taken place with the recent commissioning of community cohesion projects. Co-produced design and delivery of £150,000 worth of funding, over eight projects, of both a small and a large scale, saw approximately 100 community stakeholders involved, a cross-Directorate effort to underpin principles going forward and a strong response from community organisations in the application process. A pilot project with Healthwatch Tower Hamlets, which operates a system recording consultation on health and social care, is also taking place to explore how we can provide an improved public consultation service more widely.
- 4.6.4 Three OSC sub committees now have two resident co-opted members each, alongside the six that currently sit on the OSC. This has increased the number of residents involved in the work of Overview and Scrutiny to 12, and the OSC continues to use a range of community channels to engage with the public.
- 4.6.5 The Tower Hamlets Local Strategic Partnership has been reconstituted and has met several times throughout the year to look at how partners can work together more effectively.

4.6.6 A more accessible method of consultation is also being used to consult on our Local Plan. A commitment to try to consult the community on every licensing application is also part of our licensing procedures.

4.6.7 Additionally, a new e-petition facility is currently being tested and will go live later this year, which will better enable the Council to understand local concerns and allow people to get involved more easily in campaigns.

4.6.8 **We will continue to engage with communities by:**

- Continuing to hold 'Ask the Mayor events' for which a schedule has been developed, continuing to offer local people the opportunity to engage with and hold the Mayor to account;
- Implementing the Community Engagement Strategy, which will include: the development of engagement 'gateways,' enabling more tailored information be made available to residents; a web page holding information on all consultations that have taken place, their results and what difference they made, allowing us to develop a minimum standard around consultation, whilst retaining flexibility, as well as a Corporate Consultation Forward Plan providing information on when and how residents can get involved;
- Continuing to strengthen the work of the Local Strategic Partnership, by delivering on its commitment to develop a refreshed Community Plan for 2018 that will aim to address key areas of work across the partnership in a collaborative way.

4.7 **A more open Council -**

4.7.1 The Local Government Transparency Code (LGTC) 2015 requires that all local authorities publish a range of data to ensure that the public has access to the information that is important and relevant to them, and which enables them to get involved in local decisions and help shape their public services. While we used to be ranked one and two stars against most of the required data, we now publish all statutory data under the Code at a minimum of a 3 star standard. It is currently above average on some areas, on par with other London boroughs in most areas, with some data sets in need of improvement where greater clarity could be provided (see **Appendix D** for further benchmarking data). A number of recommended data sets are now published, including, spend exceeding £250, total amount spent on remuneration, salary band charts for all staff at the top three levels, names of all employees with salaries over £150,000, and the number of fraud cases and their monetary value. We have also gone further by publishing the names of all officers at Divisional Director level and above.

4.7.2 A new dedicated performance information web page has been developed on the Council website which provides details of the Council's performance on a quarterly basis. This provides insight on how the Council is performing against key indicators and outcomes.

4.7.3 Furthermore, the Council remains committed to providing the public with key equalities data, publishing a range of equality monitoring data, including

information relating to people who share a protected characteristic who are the council's employees and people affected by our policies and practices.

4.7.4 In regards to planning in particular, which remains a key area of interest, members of the public can now search for applications against various criteria, including by ward, date received, date determined and status. Plans, supplementary documents and statutory consultations can all be viewed online. Section 106 and Community Infrastructure Levy spending is now published on the Council website on a six monthly basis helping local people understand how this money is being spent within their locality. In addition, developers are now required to publish Planning Viability Assessments as part of any planning application, making this information fully open to the public. Prior to this, members and other interested parties were only allowed to view this information in a closed room.

4.7.5 **We will continue to be open by:**

- Publishing further recommended data under the LGTC 2015 on our local assets;
- Achieving 4 star status on all of our LGTC data publication through the data publication platform we have procured, which will allow us to make our data more open and accessible;
- Exploring the feasibility of achieving 5 star status;
- Providing our First Annual Infrastructure Statement to go to OSC and Cabinet that will provide a detailed analysis of all CIL and S106 monies received, allocated and spent by ward.

4.8 The above highlights the considerable progress the Council has made through these two initiatives, as well as the organisational culture shift that has taken place. However, we know that we can be more accessible, provide better data and engage more effectively with our communities, and that we could utilise existing mechanisms, such as SOCRATA, to do this better. Therefore, while the following represents where we have travelled to so far, there is also a commitment to further these actions and continue to improve. Our achievements so far however, and our planned projects, express the importance we place on our aspiration of being a fully transparent organisation and our ongoing commitment to realise this ambition.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 On 3rd November 2015, the Mayor put a paper before Cabinet that set out a number of principles to demonstrate his personal commitment to governing in a transparent way in order to help create a culture shift within the organisation as a whole. The agreed action plan with the overview and scrutiny committee was subsequently referred to the Council's Transparency Agenda

5.1 This report requires the Mayor in Cabinet to approve and decide whether to publish the key achievement of the Council's transparency agenda

- 5.2 The resources have been identified to carry out the actions as required by this report, however, if in the further development of the action plan results in the need for further additional financial resources, officer will be obliged to seek appropriate approval through the Council's financial approval process.

6. LEGAL COMMENTS

- 6.1 Local authorities are encouraged to be transparent and open in their decision making and business dealings generally. Legislation provides a minimum level of publication through the Local Government Acts 1972 and 2000, the Localism Act 2011 and a variety of attendance regulations. The Council has always met the statutory requirements.
- 6.2 The Council has discretion to go beyond the statutory minimum in the interests of developing its transparency and openness and the proposals in the Transparency Protocol and the recommendations arising from the Overview and Scrutiny Transparency Commission report are all matters within the Council's discretion.
- 6.3 This report updates on the progress made in implementing the actions set out in the Mayor's Transparency Protocol and the recommendations arising from the Overview and Scrutiny Transparency Commission report. There are no immediate legal implications arising from this report.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 Increasing the transparency of decision making, enabling more effective public engagement in the work of the Council and making more information more accessible to the public all serve to empower residents. In so doing, this provides for better understanding of and engagement in the challenges faced by the borough leading to more resilient communities.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 The recommendations and actions set out in this report relate to Section 5 of the Best Value Action Plan: Organisational Culture.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 There are no direct implications from this report on a sustainable environment.

10. RISK MANAGEMENT IMPLICATIONS

The actions within this report will help the Council govern in a more open and transparent manner which reduces the risk of further intervention and reputation damage. It will help strengthen confidence of local people and partners in the Council's decision making process.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

12. SAFEGUARDING IMPLICATIONS

There are no direct safeguarding implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- **Appendix A:** Summary of key achievements - p. 13
- **Appendix B:** Mayor's Transparency Protocol action plan progress update – pp. 15 - 28
- **Appendix C:** OSC Transparency Commission action plan progress update – pp. 29 - 42
- **Appendix D:** LGTC 2015 rating and benchmarking data – pp. 43 - 48

Background Documents

- NONE

Officer contact details for documents:

N/A

**Appendix A:
Summary of key achievements**

A MORE TRANSPARENT TOWER HAMLETS

More than half of residents agree the Council is open and transparent

ACCOUNTABLE



- **79%** trust the Council – **20 points more** than national average
- **59%** agree the Council is ‘open and transparent’
- **72%** satisfied with the way the Council runs things
- **25%** of CIL allocated as **Neighbourhood Portion** – **10% more** than statutorily required
- **2 new scrutiny sub-committees**
- More **Mayoral decisions** taken in, or reported to, Cabinet
- **Clear Up project** dealing with resident and staff concerns

ACCESSIBLE

- **92%** of residents have access to the internet
- **100%** increase in resident subscriptions to subject specific **e-bulletins** – now at **20,000**
- **Webcasting** of all Council and Cabinet meetings
- **Social media** utilised to publicise **key decisions**
- **Digital Inclusion Strategy** implemented



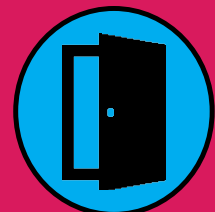
ENGAGED



- **68%** feel Council listens to concerns of local residents - **up 11 points**
- **58%** feel Council involves residents in making decisions - **up 9 points**
- **10 ‘Ask the Mayor’ events** – nearly **1000 people** attended
- **Co-produced** design and delivery of **£150,000** of funding across **8 community cohesion projects**
- Overview and Scrutiny Committee now includes **12 resident co-opted members**

OPEN

- From 1 and 2 stars to **3 stars** on statutory **Transparency Code data**
- Publish **recommended Transparency Code data**
- **Working towards 4 and 5 stars on all data**
- Range of **equalities data** available
- Reduction in fully **exempt reports** at Cabinet with only minimum information exempt in appendices
- All **Planning Viability Assessments** published
- 6 monthly **CIL and S106 summaries** published



Appendix B:

Update to the Action Plan of the Mayor's Transparency Protocol

Key:

Complete

On track

Behind
Schedule

**Risk of not
delivering**

Action	Progress Update	Responsible Lead	Due Date	Status
<p>1. Broadening the use of social media into democratic meetings including Cabinet and Full Council</p>	The public are able to film all formal meetings and webcasting of council and cabinet have begun.	Andreas Christophorou	Q4 15/16	Complete
	Summary of key items on Cabinet agenda is publicised using social media channels and followed up with promotion of decisions taken via press release and social media.	Andreas Christophorou	Q1 16/17	Complete
	Social media channels are used to promote Cabinet and Full Council meetings.			
	Live tweeted from Cabinet meetings during 2016/17 and found there was not a significant amount of engagement from our followers. Focus is now on promoting decisions taken at Cabinet via all corporate communications channels. This will be kept under review.	Andreas Christophorou	Q2 16/17	Complete
	Exploring feasibility of a list of hashtags to be used on committee paper publications for easy search and residents to receive alerts	Andreas Christophorou	Q2 16/17	Behind schedule

<p>2. Develop approaches for residents interested in particular topics, for example, planning, licencing, community safety or in particular areas (wards/ LAPS), to be alerted about decision making or consultations taking place about their area of interest.</p>	<p>E-mail subscription list set up - residents receive e-newsletter on a range of topics. This includes e-bulletins on Public Health, Leisure and Community Safety.</p> <p>Subscriptions increased from 10,000 to 20,000 over the first half of 2017. New delivery software will enable an increase in the number of subscriptions and segmentation of the audience to allow for provision of newsletters that are even more tailored to residents' interests.</p>	Andreas Christophorou	Q1 16/17	Complete
	<p>Actions identified in the draft Community Engagement Strategy (CES) delivery plan, which is due to be agreed by Cabinet in Jan 2018, will support improved consultation and engagement with residents:</p> <ul style="list-style-type: none"> - Engagement "gateways" to be developed as part of CES, which will also enable more tailored information to be available to residents - Commitment in Strategy on digital inclusion. 	Emily Fieran-Reed	Q4 17/18	On track
<p>3. Explore the feasibility of publishing spend and contracts under a lower threshold</p>	<p>Timeline for collection/alignment of data agreed with Competition Board</p>	Zamil Ahmed	Q4 15/16	Complete

	<p>All Government Procurement Card spend over £500 published</p> <p>All expenditure over £500 published</p> <p>All required information on contracts above £5000 published</p> <p>Publication of data in a more accessible way can be explored with the implementation of the Council's new data publication platform.</p>	Zamil Ahmed	Q12 16/17	Complete
4. Explore the feasibility of publishing the names of all officers at Divisional Director level and above.	The Council now publishes the names of all Divisional Directors and above, along with titles and salaries.	Ruth Dowden	Q2 16/17	Complete
5. Engage with residents on what areas of performance are of most importance to them and produce an easy to read performance scorecard for publication	Performance information was included within the Annual Council tax Leaflet	Afazul Hoque	Q4 15/16	Complete
	<p>Performance information continues to be published on a separate web page within the council website:</p> <p>http://www.towerhamlets.gov.uk/lgnl/council_and_democracy/council_performance.aspx</p>	Afazul Hoque		Complete
	The new performance management system Covalent is being implemented and will allow performance information to be published in a more accessible format.	Afazul Hoque		Complete

	The refresh of the Council's Performance Management and Accountability Framework (PMAF) has been completed and the Council is adopting Outcome Based Accountability which will simplify performance management and reporting	Afazul Hoque	Q3 16/17	Complete
6. Explore the possibility of requiring developers to publish Planning Viability Assessments, which have previously been restricted due to commercial sensitivity.	The Council is part of the Inter-Borough Viability Working Group, with 20 other London local authorities and has developed a Viability Protocol to standardise a number of key viability parameters and clarify the approach towards transparency of viability appraisals.	Owen Whalley	Q2 16/17	Complete
	Committee members and other interested parties are able to view the viability assessment in a closed room.		Q3 15/16	Complete
	Legal advice has been obtained and recommended measures have been implemented to protect the council from concerns relating to commercial sensitivity.		Q2 16/17	Complete
	A new Supplementary Planning Document has been produced, which requires all developers to publish Planning Viability Assessments. As of October 2017, this will now apply to all planning applications going forward.		Q4 16/17	Complete

7. Review procurement thresholds and channel all contract expenditure over £5,000 through the Council's e-tendering system. Publish detailed summary of all new contracts as part of the Transparency Code.	These actions to be incorporated into the Procurement Strategy	Zamil Ahmed	Q4 15/16	Complete
	New e-procurement solution agreed and implemented	Zamil Ahmed	Q1 16/17	Complete
	Tender for contracts to provide goods and/or services with a value that exceeds £5,000 published on London Tenders Portal as required by the Transparency Code. Information on all contracts for over £5,000 available from London Contracts Register as required by the Transparency Code - http://www.londoncontractsregister.co.uk/	Zamil Ahmed	Q1 16/17	Complete
8. Review the way in which the Council publishes contracts	As above and the implementation of the newly procured data publication platform will also significantly improve the way this information is published, making it more accessible and user friendly.	Ruth Dowden	Q2 16/17	Complete

<p>9. Develop a series of both formal and informal 'Ask the Mayor' events. These will include the Mayor attending events or markets and high streets in the borough so that residents can have the opportunity to quickly raise issues and concerns; the Mayor undertaking a series of structured visits to organisations which would reach across equalities groups, wards and interests; and a formal set of Question Times, where the public can ask the Mayor (and Cabinet and / or Heads of Partner organisations) questions. These will all be timetabled in advance and advertised (where appropriate) for wider public attendance.</p>	<p>'Ask the Mayor' events introduced and are being held regularly. To date, 10 events have been held, which have been attended by at least 920 members of the public. They have been held across the borough in Stepney, Fish Island, Isle of dogs, Mile End, Bow, Bethnal Green, Whitechapel and Poplar.</p>	<p>Andreas Christophorou</p>	<p>Q4 15/16</p>	<p>Complete</p>
	<p>The Mayor has been attending a range of formal and informal events based on invites from local people and also to better understand service delivery. These will be reviewed on an on-going basis to ensure the Mayor reaches a diverse range of communities.</p>	<p>David Courcoux</p>	<p>Q4 15/16</p>	<p>Complete</p>

<p>10. Develop a new localised consultation mechanism</p>	<p>The Local Strategic Partnership has recently been re-constituted. The CES commits to reviewing the work of the Partnership groups, considering their engagement responsibilities in particular.</p> <p>The Community Engagement Strategy identifies that local engagement in future will be led by the community and therefore local consultation will work through existing structures.</p>	<p>Emily Fieran-Reed</p>	<p>Q4 17/18</p>	<p>On track</p>
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	<p>Delivery of the CES will develop an approach to people getting involved at local level including in relation to services. This will include:</p> <ul style="list-style-type: none"> • A web page that will capture information on all consultations that have taken place, their results and what difference they made, which will be open to the public and enable the development of a minimum standard around consultations, whilst retaining flexibility; • A pilot that is currently taking place through Healthwatch TH, which has a system for recording consultation or “community insight” around health and social care that can be expanded to incorporate wider input from a range of partners. Work is on-going to understand how this can be expanded to other areas, and involve more information being made public. 		Q1 18/19	On track
11. Explore options to involve residents in Housing Scrutiny	Refresh of Borough-wide Housing Scrutiny Sub-Committee completed	Mark Baigent	Q2 15/16	Complete

	<p>Pilot scrutiny carried out by the sub-committee and feedback provided to Registered Providers scrutiny panels, residents and members.</p> <p>A resident survey was also undertaken on under-occupation to gauge who was currently under-occupying and what solutions they would suggest.</p>	Mark Baigent	Q4 15/16	Complete
	<p>A link between the joint resident scrutiny panel and the LBTH Housing Scrutiny sub-committee was trialled. Due to constraints on the resident panels in general, the joint resident scrutiny panel was unable to continue to meet regularly, therefore this was no longer feasible. To be explored again in the future if deemed practicable.</p> <p>Two resident co-opted members now involved on the sub-committee, which includes a member of the RP Joint Resident's Scrutiny Forum and a THH leaseholder. They provide a tenant voice on the sub-committee, input on agendas and support the objective of challenging RP performance.</p>	Mark Baigent	Q1 16/17	Complete
12. Develop an improved consultation process for policy development and service change, to improve decision making.	A consultation specialist was recruited to improve the Council's consultation and implementing systems that ensure consultation is of better quality and coordination in future. This process will be completed by Q1 18/19.	Emily Fieran-Reed	Q1 18/19	On track

13. Improve awareness of Council meetings through the targeted use of social media, or through email contact lists to interested residents, businesses and organisations.	People can sign up to receive alerts when agendas to particular meetings are published (or when issues relating to their wards are published). Currently finalising the procurement of new software which will enable us to better engage with local people via e-bulletins and for them to receive information about events, meetings and activities that interest them.	Andreas Christophorou	Q1 16/17	Complete
	A summary of key items on Cabinet are published after the meeting via press release and to the council's website and social media channels.		Q1 16/17	
14. Adapt the Individual Mayoral Decision report template to include a reason for their use, such as demonstrable urgency.	The individual Mayoral Decision template is regularly reviewed and adjusted to further improve its effectiveness. .	Asmat Hussain		Complete

<p>15. Review the current decision making process to improve the speed and transparency of the Council's decision making</p>	<p>A review of the officer –DMT-CMT phase was completed last year and changes were implemented.</p> <p>Overall the initial changes have led to a more speedy and efficient decision making process.</p> <p>Since then, a second review has been initiated to evaluate this process. Changes as a result of this review include earlier oversight by Mayor of decisions, to ensure that where relevant they can be sent to Cabinet first instead of being dealt with as an individual Mayoral decision.</p>	<p>Asmat Hussain</p>	<p>Q1 16/17</p>	<p>Complete</p>
	<p>On –going work by cross party member and officer Governance Review Group to improve decision making transparency.</p> <p>The Group completed their planned work but will be reconstituted in future should it be required.</p>		<p>Q3 16/17</p>	<p>Complete</p>

<p>16. Develop and promote new guidelines on the use of Exempt Papers and their availability to non-executive members.</p>	<p>Growing evidence that since discussing this issue, there has been a significant reduction in exempt papers. This reduction continues.</p> <p>The refreshed Member/Officer Relations Protocol was reviewed and agreed by the General Purposes Committee and given final approval by Council on 22/11/17. This includes updated guidance on presentation of reports and exempt information including how to evaluate the 'Need to Know' for Councillor access. Following on from this, new guidelines and officer training has been discussed with the new Monitoring Officer and will be progressed.</p>	<p>Asmat Hussain/ Matthew Mannion</p>	<p>Q2 16/17</p>	<p>Complete</p>
<p>17. Work with Overview and Scrutiny Committee to develop target information response times, to better enable their scrutiny function</p>	<p>The OSC developed an action log to follow up outcomes of requests for information. It continues to use the Action Log to follow up requests for information from Committee meetings.</p>	<p>Afazul Hoque</p>	<p>Q1 16/17</p>	<p>Complete</p>

<p>18. Ensure major policies and strategies are discussed with Overview and Scrutiny Committee in advance to improve the use of pre-decision scrutiny, enabling the committee to help question and shape policy during its development, rather than the night before Cabinet.</p>	<p>OSC meetings were moved a week before Cabinet to allow more time for pre-decision scrutiny. They continue to be held a week before Cabinet to review major polices and strategies.</p> <p>The OSC also considers the Executive Forward Plan at all their meetings to consider areas they would like to contribute to in terms of development.</p> <p>As part of OSC work programme development they are provided with briefings outlining challenges and priorities for year ahead which enables them to consider issues they would like to help develop.</p>	Afazul Hoque	Q1 16/17	Complete
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Appendix C:

Action plan in response to the recommendations of the Transparency Commission

Key:

Complete
On track
Behind schedule
Risk of not delivering

Action	Progress update	Responsible Lead	Date	Status
1. The Mayor considers additions to his Transparency Protocol to include actions to create an organisational culture, led by senior management, which values and presumes openness. This should include explicit support for whistleblowing where it is appropriate.	SOLACE facilitated exercise with senior management to identify issues.	Will Tuckley	Q4 15/16	Complete
	External facilitator also engaged to undertake team development work with the Corporate Leadership Team			
	HR strategy revised - subject to review and refinement but aims to embed organisational culture that integrates an ethos of openness, wider engagement and stronger working relationships into every day working.	Heather Daley	Q2 16/17	Complete
	Staff engagement programme in organisational vision, values and culture – Council refreshed Core Values – Together, Open, Willing, Excellent and Respect (TOWER). Managers provided with a toolkit to be used in team meetings to measure performance against each of the values.	Heather Daley	Q2 16/17	Complete
	The Council's HR policies, provisions and procedures are being reviewed to ensure they are clear and appropriate for the culture that we are seeking to achieve, including whistleblowing procedures.			
	27 Chief Executive roadshows coordinated over the past year. Held across Council sites and at different times of the day. Further roadshows set to take place throughout November and December 2017.	Heather Daley	Q2 16/17	Complete
	Reassessment for Investors in People accreditation – this will be taking place over the coming months.	Heather Daley	Q3 17/18	On track

	<p>A revision of whistleblowing policies – A new whistleblowing policy and procedure has been prepared, along with guidance for managers and investigators. This was supported and approved by the General Purposes Committee in October 2017. The Audit Committee is being given an important role in the ongoing monitoring of this issue to ensure the policies remain effective.</p> <p>A mandatory e-learning module has been prepared to be added to the new Learning Management System (LMS) as well as forming part of the Learning and Development Core Offer training packages for all staff.</p> <p>Refreshed core values, the review of Council HR policies, provisions and procedure, and revised employee code of conduct will also ensure we achieve a culture change in the organisation on whistleblowing.</p>	Asmat Hussain	Q3 16/17	Complete
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<p>2: The Mayor extends his Transparency Protocol to include required conditions for the use of individual mayoral decisions (IMD)</p>	<p>Review to be undertaken on individual mayoral decisions made by the Mayor –</p> <p>All Mayoral decisions now taken by the Mayor in Cabinet, unless it meets one of the following criteria, in which case it can be taken by IMD:</p> <ul style="list-style-type: none"> · It is an urgent decision · It is a minor decision in that it does not result in a change of council policy. <p>A second review was initiated to evaluate this process. Changes as a result of this review include earlier oversight by Mayor of decisions, to ensure that where relevant they can be sent to Cabinet first instead of being dealt with as an individual Mayoral decision. This further reiterates that there should be a strong presumption in favour of Cabinet unless things are absolutely urgent.</p>	David Courcoux	Q1 16/17	Complete
<p>3: The Council implements a protocol governing the use of planning pre-committee briefings with applicants present, and includes materials used and any outcomes in reports to the development committees.</p>	<p>The service has explored the use of planning pre-committee briefings with applicants present. While a formal mechanism is not currently in place, a discretionary mechanism is available to enable members to be briefed beforehand if this were to be requested.</p>	Owen Whalley	Q2 16/17	Complete
	<p>An operational protocol note for the Mayor, lead members and development committee members is in place to set out conditions for, and the purpose of meetings with developers at the pre-application stage.</p>	Owen Whalley	Q2 16/17	Complete

<p>4: The new process for deciding on the spending of planning contributions is open and transparent, and includes some resident involvement</p>	<p>The Infrastructure Delivery Board has been agreed as the approach going forward, which provides an open and transparent approach to making decisions on the spending of S106 and Community Infrastructure Levy (CIL) at a corporate level</p>	Owen Whalley	Q4 15/16	Complete
	<p>Detailed proposals taken to Cabinet and approved on 5/1/16.</p> <p>On 5/4/16 at Cabinet the first Neighbourhood Forums were established in the Borough to enable neighbourhoods to establish neighbourhood planning areas. On 6/12/2016 at Cabinet, it was agreed that the LBTH approach is that 25% of CIL receipts should be allocated as the CIL Neighbourhood Portion across the whole borough. It was also agreed that the Neighbourhood Portion should be re-defined as the 'Local Infrastructure Fund' (LIF) and four LIF area boundaries were identified.</p> <p>All decisions relating to the LIF is taken to Cabinet, along with larger decisions relating to CIL in general.</p>	Owen Whalley	Q2 16/17	Complete
	<p>The LIF has been made available for the areas from which the funds are raised. Where a neighbourhood forum does not put forward a local plan of its own, a two stage consultation takes place to ensure that the views of local residents are considered, which includes a questionnaire and a drop in session.</p>	Owen Whalley	Q3 16/17	Complete

<p>5: Make information on spending of planning contributions publicly and easily available, delineated by ward, and sent to members, with regular progress reports to the Overview and Scrutiny Committee.</p>	<p>A 6 monthly newsletter is regularly published and available to the public providing an update on spend of CIL and S106 monies by ward.</p> <p>The new Infrastructure Delivery Board now receives monthly (depending on IDB scheduling) finance update papers on both CIL and Section 106 financial updates (including figures received/spent). In addition, information on s106 and CIL is provided as part of the budget monitoring reporting that goes to Cabinet each quarter.</p> <p>Coordination with Overview and Scrutiny is continually taking place, including work to continue improving transparency in planning, especially through committee materials.</p>	Owen Whalley	Q4 15/16	Complete
	<p>First Annual Infrastructure Statement to go to OSC and Cabinet that will provide a detailed analysis of all CIL and S106 monies received, allocated and spent by ward.</p>	Owen Whalley	Q4 17/18	On track
<p>6: The Council increases opportunities for community engagement in democratic processes</p>	<p>Explored holding committee meetings in a variety of venues more amenable to the public in different parts of the borough - Democratic Services have prepared a procedure to use when there are requests to hold meetings at other venues and a potential list of venues is available.</p> <p>Some meetings, such as OSC were held in different parts of the borough. The Health and Wellbeing Board are currently exploring holding meetings in other venues. Options for holding other meetings will be considered if requested.</p>	Asmat Hussain/Matthew Mannion	Q1 16/17	Complete

<p>Provide plain English summaries of items on committee agendas via the Council's existing communications channels, and reporting these afterwards - Summary of agenda items for Cabinet are already included in the agenda.</p> <p>A summary of key items on Cabinet are published after the meeting via press release and to the council's website and social media channels.</p> <p>A written guide on writing reports, including guidance on writing in plain English, has been prepared. Further Officer training is being planned, such as lunch time sessions, which will also include training on writing in plain English.</p>	Sharon Godman/ Andreas Christophorou/ Matthew Mannion	Q2 16/17	Complete
<p>Making Council and Cabinet webcasts viewable from the Council's main social media accounts and on popular video hosting sites –</p> <p>The meetings webcasts are currently available from the Council website. Uploading such content onto popular public video hosting sites would not be appropriate at this time, although users are able to link specific parts of the webcast to their own social media accounts.</p> <p>A summary of key items on Cabinet are published after the meeting via press release and to the council's website and social media channels.</p> <p>The public are also able to film all our formal meetings.</p>	Asmat Hussain/Matthew Mannion	Q2 16/17	Complete

<p>Live streaming of Cabinet already takes place. Feasibility of live committee participation through social media was explored. Such a mechanism is not generally utilised by other councils either due to the logistical difficulties around it and the lack of overall benefit offered to the user or to the Committee.</p>	<p>Asmat Hussain/Matthew Mannion</p>	<p>Q3 16/17</p>	<p>Complete</p>
<p>Enabling e-petitions on the council's website – an internal E-Petition facility was developed and at the same time the Council's Petition Scheme was reviewed to allow e-Petitions using the Council system to be accepted. The Petition Scheme was supported by the General Purposes Committee at its meeting on 12 October 2017 and was approved at Council on 22 November 2017. The ePetition system was made live shortly after.</p>	<p>Asmat Hussain/Matthew Mannion</p>	<p>Q2 16/17</p>	<p>Complete</p>
<p>As part of the development of the Overview and Scrutiny Committee Work Programme for 2016/17 options have been considered to enable the public to propose items.</p> <p>The OSC now includes 6 resident co-opted members who are involved in developing the Committee Work Programme, and another 6 across its sub-committees. The Committee continues to use a range of communication channels including press releases, social media and council website to engage with local people. Where appropriate, meetings are arranged at external venues to allow local people to attend and get involved.</p>	<p>Afazul Hoque</p>	<p>16/17</p>	<p>Complete</p>

7: The new Community Engagement Strategy (CES), and changes planned under the Mayor's Transparency Protocol to the consultation process for policy development and service change, take account of the findings of the Commission's consultation.	Final Community Engagement Strategy currently being drafted in response to consultation and is expected to reach Cabinet in January 2018. Some actions have already started, for example, a co-production pilot has already taken place with the funding for community cohesion projects being commissioned via co-production.	Emily Fieran-Reed	Q4 17/18	On track
	Public Consultation on the Strategy and approved by Cabinet – to be completed by Q4 17/18	Emily Fieran-Reed	Q4 17/18	On track
8: New localised consultation forums allow a key role for ward councillors.	The draft Community Engagement Strategy recognises that ward Councillors should have a key role in local engagement, especially where the Council is funding or supporting local action. Also see Actions 6 and 7 above	Emily Fieran-Reed	Q4 17/18	On track

<p>9. Licensing and Planning Teams explore the feasibility of enabling the public to sign up to receive weekly email bulletins detailing applications received, consultation arrangements, and the status of existing applications, at ward level. They should also explore utilising social media and text alerts in relation to consultations; and Use plain English as far as possible in communications, and include guides to technical language that cannot be avoided</p>	<p>Introduction of upgraded public access system for planning (October 2015), available via the Council's website, allows members of the public to search for applications by ward, date received, date determined and status and so on. Plans, supporting documents and statutory consultation responses can be viewed on line via the PAS. Anyone wishing to make comments can submit those directly online too.</p> <p>Residents and Members can sign-up for a weekly list of planning applications logged in their ward.</p> <p>A re-write of planning and building control website was completed on 3.10.17 with more up-to-date information, elimination of any duplication and providing easier access and information in plain English. Further work on incorporating more demand management techniques and potential to utilise other technological advances which help residents access the information they want quickly and easily has been planned.</p> <p>Statement of Community Involvement (SCI) being reviewed as part of more detailed demand management initiatives. This is looking at the possibility of utilising technology in the further targeting of notifications and accessibility of information on planning applications.</p> <p>Local Plan is currently in the final process of consultation (Oct 2017) – technology that allows people to input their comments and feedback directly into the document, and also view comments made by others, is being utilised.</p>	Owen Whalley	Q4 16/17	Complete
	Licensing team has a webpage with all applications listed, where licences are granted, and the details of the licence. It	Dave Tolley	Q2 16/17	Complete

	<p>includes a search facility enabling public to search in wards.</p> <p>With respect to consultations – all residents within 40 metres are notified that an application has been received and that details are on the website. A commitment to try to consult the community generally is also a part of every application. This goes beyond statutory requirements, which only require us to publish a list of applications.</p> <p>Once processed at the Licensing sub-committee, which are public meetings, all results are published on the Council website, and decision letters are sent to interested parties. They are then published online again within 14 days of the decision.</p> <p>Regular tweets were trialled for a period of time - current resources means continuing these would not be feasible and this would also not align with our Communications social media approach. Weekly bulletins have also not been possible, and there is no indication from service users of a reasonable appetite for this.</p>			
10: The Council undertakes a full review of its Overview and Scrutiny arrangements, and amends these as necessary	<p>Grants scrutiny sub-committee established which currently reviews all papers that go to Grants Determination Sub-Committee. It has also conducted a review on better social value within our procurement process.</p> <p>It was reviewed after three months of operation and improvements suggested. These are now in the process of being implemented.</p>	Steve Hill	Q1 16/17	Complete
		Steve Hill/ Afazul Hoque	Q2 16/17	Complete

	<p>Housing scrutiny sub-committee established. It conducted a review on under-occupation since its establishment, looking at the Council's policy on under-occupation and best practice from other areas.</p> <p>Residents' concerns are also discussed at each meeting, and a spotlight session on repairs has been completed, addressing one of the biggest residents' concerns regarding housing.</p>	Afazul Hoque	Q1 16/17	Complete
	<p>Induction programme developed for new OSC Members and Sub Committees.</p>	Afazul Hoque	Q1 16/17	Complete
	<p>Timing of OSC relative to Cabinet moved to allow for more time to consider reports prior to Cabinet.</p> <p>The Council also worked with the Centre for Public Scrutiny to support Members with scrutiny of the budget and Children's Services. Learning from 2016-17 have been used to develop the 2017-18 work programmes for the scrutiny committees.</p>	Afazul Hoque	Q1 16/17	Complete
11: Officers undertake a full review of compliance with the requirements of the Local Government Transparency Code and take any action required to secure this	<p>A full review of compliance with minimum (Part 2) and recommended (Part 3) data of Local Transparency Code (LGTC) 2015 was undertaken and options going forward were proposed.</p>	Ruth Dowden	Q2 15/16	Complete
	<p>Achieve Compliance for part 2 data</p>	Ruth Dowden	Q1 16/17	Complete

compliance on a regular basis.	<p>Agree and implement approach to Part 3 data.</p> <p>Following an exploration of what Part 3 data could be published, we have made a commitment to publish a number of recommended data sets, including spend exceeding £250; total amount spent on remuneration; size of Council assets; reasons for holding an asset; is the asset of community value; salary band charts for all staff at the top 3 levels; names of all employees with salaries over £150,000; and the number of fraud cases and their total monetary value.</p> <p>Of these, we currently provide data on spend exceeding £250, the total amount spent on remuneration, salary band charts of all staff at the top 3 levels, names of all employees with salaries over £150,000 and the number of fraud cases and their total monetary value.</p> <p>Information on assets is to follow shortly.</p>	Ruth Dowden	Q2 16/17	Complete
12: Officers explore approaches to achieving three-star status for all relevant information required to be published by the Local Government Transparency Code (as applicable) within six to nine months; and assess the feasibility of achieving five-star status for different categories of data published by the council on an ongoing basis, in the longer term.	Options to achieve 3 through to 5 star status with respect to quality/accessibility of published data were identified and evaluated	Ruth Dowden	Q1 16/17	Complete
	3 star status in all data sets where this is feasible has been achieved.	Ruth Dowden	Q2 16/17	Complete
	<p>Agree ambition and approach with respect to 4 and 5 star status and initiate work to achieve this -</p> <p>The proposal for the use of a data sharing platform to achieve the 4 star publication standard is being actively progressed. An extension of that contract has been enacted. Additional resources to enable us to reach 4 and 5 star status is in the process of being agreed.</p>	Ruth Dowden	Q3 16/17	Behind schedule

<p>14: In the short term, the Council develops a frequently-updated online hub of information accessible from the Council homepage, including all information required by the Local Government Transparency Code, as well as additional categories of information suggested in the body of the Commission's report.</p>	<p>See http://www.towerhamlets.gov.uk/lgnl/council_and_democracy/Transparency/transparency.aspx for the current status of the online hub</p> <p>As well as the Transparency Code data, Non-domestic rates (NMDR), a range of equalities monitoring data, performance of the Council, reports and papers associated with Council decision-making and the Freedom of Information Log is also provided.</p> <p>Once the new data sharing platform (see 12 above) is implemented, this will also increase the accessibility of our data significantly.</p>	Ruth Dowden	Q2 15/16	Complete
<p>15: In the longer term, the Council explores the costs and benefits of regularly publishing all of its data, with exceptions, as recommended in the Local Government Transparency Code.</p>	<p>This has been considered as part of the review and evaluation of options (see 13 above)</p>	Ruth Dowden	Q2 16/17	Complete
<p>16: Officers explore options to allow the public to access data published by the Council via user-friendly, visually appealing and easily-navigated interfaces, using Redbridge DataShare and Bath:Hacked as benchmarks.</p>	<p>A specification for a new system has been developed and is with the Council's ICT contractor for consideration – A new system will be in place in 2017.</p>	Afazul Hoque	Q4 2017/18	On track

	The Performance management system Covalent is currently being implemented. The Council has also purchased a data publishing software (SOCRATA) and will explore how both systems can interact to publish performance information in web format in a more accessible way. This will link the work relating to accessibility of data under recommendations 11 and 12 above.	Ruth Dowden/ Afazul Hoque	Q2 16/17	Complete
17: The Council appoints an open data champion for each directorate.	This was discussed by the Information Governance Group, where it was deemed not practicable, as well as required resources being unavailable. This could be explored again in the future with the implementation of the Council's new data publication platform.			

Appendix D - Local Government Transparency Code (LGTC) 2015: Part 2 required data benchmarking

Under the LGTC 2015, we are required to publish a number of data sets and key Council documents. These include:

- Expenditure exceeding £500
- Government procurement card transactions over £500
- Tender for contracts to provide goods and/or services with a value that exceeds £5,000
- Contracts over £5000
- Grants information
- Organisation chart
- Senior salaries
- Pay multiple
- Trade union facility time
- Land assets
- Social housing asset value
- Parking accounts and spaces
- Fraud data
- Constitution

Every local authority has a duty to ensure this public data is:

- Good quality
- Clear and easy to understand
- Accessible and presented in a user friendly
- Kept safe

An internal benchmarking exercise was carried out with 17 London boroughs to compare how Tower Hamlets ranks against other boroughs and to help us understand how we can achieve greater transparency. Tower Hamlets currently provides all Part 2 required data at a minimum of a 3 star rating standard (see Table 1). It is also currently above average on some areas, on par with the other London boroughs in most areas, with some data sets in need of improvement where greater clarity could be provided. (See Table 2)

Tower Hamlets, however, provides all required data sets; only two other boroughs, of those analysed for this exercise, seem to provide all the required data under the LGTC 2015 at the current time. Of the 12 required data sets where it is possible to compare ratings, Tower Hamlets is at an average or above average rating on 10 of them. In particular, it's 3 star rating for information provided on parking accounts and spaces, fraud, grants and government procurement card spend is above average.

It is below average on data sets regarding tender for contracts to provide goods and/or services with a value that exceeds £5,000, where of the available data, 14 boroughs scored better and the remainder were on par or

did not clearly provide the data. On trade union facility time, just over half of boroughs also scored better than Tower Hamlets.

It should be noted however, that a number of boroughs, which currently score well, have more advanced data publishing platforms than the one Tower Hamlets currently employs. It is envisaged that with the procurement of Socrata, Tower Hamlets will be able to realise its ambition to achieve 4 and then 5 star ratings for all required data sets. Tower Hamlets also provides a significant amount of recommended Part 3 data.

With clarity and accessibility at the core of the LGTC 2015 requirements, Tower Hamlets is doing well having provided all required data sets in a reasonably accessible manner, where the information is relatively easy to find. The implementation of Socrata should further improve this.

Table 1 – Tower Hamlets rating of LGTC 2015 Part 2 data

Information category	Current format	Current star rating
Quarterly		
Expenditure exceeding £500	CSV and Excel	Three
Government procurement card transactions over £500	Excel, CSV – latest was June 2017	Three
-		
Tender for contracts to provide goods and/or services with a value that exceeds £5,000	Link to summaries on London Tenders Portal for current invitations	Three
Contracts over £5000	Information available from London Contracts Register as CSV	Three
Grants	PDF, Excel and CSV	Three
Organisation chart	PDF	Not reasonably applicable but can be picked up under data for senior salaries
Annually		
Senior salaries including divisional directors and the budget and role of employees earning over £50,000	PDF, Excel and CSV	Three
Pay multiple	PDF	Not

		reasonably applicable
Trade union facility time	Excel spreadsheet	Three
Land assets	Excel spreadsheet and CSV	Three
Social housing asset value	PDF, Excel and CSV	Three
Parking accounts and spaces	PDF	SOCRATA will enable us to make this data more accessible
Fraud	Word, Excel and CSV	Three star
Constitution	HTML	Three

Table 2 – Benchmarking data

Data	Tower hamlets	Waltham Forest	Newham	Hackney	Greenwich	Southwark	Lewisham	Westminster	Hammersmith and Fulham
Expenditure exceeding £500	3	3	3 (June 2017 data)	3	4	4	3	3	4
Government procurement card transactions over £500	3	3 (2016 data)	3 (March 2017 data)	None Found	None Found	4	3	3	4
Tender for contracts to provide goods and/or services with a value that exceeds £5,000	3	None Found	3	4	3	3	4 (2016 data)	3	3
Contracts over £5000	3	None Found	3	3	None Found	4	None Found	3	4
Grants	3	2 (2013-14 data)	3	4	None Found	3	None available	3	3
Organisation chart	N/A	1	3	2	None Found	1	3 (some info not included)	4	4
Senior salaries	3	1	1 (Nov 2016)	3	4	2	3	4	4
Pay multiple	N/A	None displayed	3	None Found	None Found	None Found	2 Some information	3	3
Trade union facility time	3	None displayed	3	4	4	3 (2015 data)	4	4	4
Land assets	3	2	3	3	4	4	3	3	4
Social housing asset value	3	2	3	3 (2015 data)	4	4	4	4	4
Parking accounts and spaces	3	1 (2015-2016 data, PDF)	2 (2014-15 data)	4	None displayed	3 (2015/6 data)	2 (no accounts information)	None Found	1 (2014-15 data)

Fraud	3	None Found	1 Half info available	None displayed	None displayed	Links to agenda (No clear display)	3 published in meeting minutes	4	4
Constitution	3	4	4 (May 2016)	3	3	In meeting minutes	3	3	3

Data	Camden	Islington	Lambeth	Barking and Dagenham	Barnet	Redbridge	Haringey	Ealing	Wandsworth
Expenditure exceeding £500	4 (Sept 2017)	3	4	None Found	4	4	None Found	3 (2013-14 data)	3
Government procurement card transactions over £500	None Found	None Found	None Found	None Found	5	4	None Found	None Found	3 (2017-18 data)
Tender for contracts to provide goods and/or services with a value that exceeds £5,000	4 and July 2017	4	3	4	4	4	4	3	4
Contracts over £5000	4 and July 2017	4	3	4	4 (2013-14 data)	4	None Found	3	4
Grants	4 but 2014-15	3 (2015-16 data)	None found	None Found	4	4	4	2 (unclear)	4
Organisation chart	4	None Found	None Found	4	4	4	None Found	3	4
Senior salaries	4	2 (not all info displayed)	3	4	4 (2014-15 data)	4	4	3	3 (2015-16 data)
Pay multiple	None Found	None Found	3	3	3	None Found	None Found	None Found	3 (2015-16 data)
Trade union facility time	4	None Found	3	4	4	4	3	3	3

Land assets	4	3	None Found	4	4	4	4	None Found	2
Social housing asset value	3	None Found	3	4	4	4	3	None Found	2
Parking accounts and spaces	4	None Found	3 (2015 data)	4	None Found	None Found	None Found	None Found	3 (2015-16 data)
Fraud	4	None Found	4	None Found	None Found	None Found	None Found	None Found	None Found
Constitution	None Found	3	3	3	3	3	3	3	3

<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Establishment of Group Training Association for Construction Training</p>	

Lead Member	Councillor Joshua Peck, Cabinet Member for Work and Economic Development
Originating Officer(s)	Andy Scott, Divisional Director Growth and Economic Development. Place Directorate Colin Middleton, Construction Development Officer
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A fair and prosperous community

1. Executive Summary

- 1.1. In response to feedback from construction employers and the need to facilitate the entry of local residents into the construction sector locally and across London, LBTH Officers have been actively exploring the feasibility of establishing a Group Training Association (GTA) for construction, in partnership with the London Legacy Development Corporation (LLDC) and East London borough partners. These discussions have resulted in the proposals contained within this report, for LBTH to fully engage in the establishment of a GTA for East London, potentially based within the current construction training centre based at Cathall Road in Leyton; combined with a series of hubs for delivery on construction sites across the area.
- 1.2. This report highlights the forecasted demand for the services of the centre, the need for the leadership of the project by employers (supported by Council Officers); the rationale for utilising an out of borough training centre; the financial implications for the borough and the timetable for development and implementation.

2. Recommendations

The Mayor in Cabinet is recommended to:

- 2.1. Agree to pursue the formal establishment of an East London Group Training Agency (GTA) in partnership with the London Legacy Development Corporation (LLDC) and other east London Councils.

- 2.2. To receive a further report in the new year to set out recommendations for the adoption of a formal governance structure including legal, financial and procurement implications for the Council; and to seek approval for formal LBTH representation within the recommended governance structure.

3. REASONS FOR THE DECISIONS

- 3.1. Decisions need to be taken to enable the establishment of a Group Training Association in East London with the active involvement of LBTH. Partners developing the proposals include LBTH, the London Legacy Development Corporation, London Borough of Waltham Forest and London Borough of Hackney. This will involve further preliminary work to enlist the support of industry; the establishment of legal and governance structures to support GTA development and delivery, and to enable the leasing of Cathall Road Construction Skills Centre and the commissioning of a training provider to deliver training required.

4. ALTERNATIVE OPTIONS

- 4.1. Do nothing. WorkPath and contractors are finding it increasingly difficult to recruit appropriate local residents to fill local vacancies and to enable the fulfilment of apprenticeship and job commitments outlined in S.106 agreements and council contracts. Without radical intervention such as the GTA this situation is likely to continue for the foreseeable future.
- 4.2. Continue to use existing training providers to deliver apprenticeship and other construction related training. Existing training providers do not have the confidence of industry and are unlikely to take advantage of the training programmes offered. Local residents are therefore less likely to access opportunities.

5. FACTORS FOR CONSIDERATION

Background

- 5.1. Evidence from inner London boroughs and contractors has made it clear that the lack of supply of suitable local residents in London who wish to enter the construction sector is the biggest single recruitment problem for the sector. The Construction Industry Training Board (CITB) predict that there will be a demand for nearly 440,000 construction workers in London by 2021 (up from 400,000 at present). Currently 210,000 of current construction workers are estimated to come from Eastern Europe. At present, only 5,000 construction workers live in Tower Hamlets. The expectations of the different communities in Tower Hamlets and within London in general, and the demographic changes caused by the increased costs of housing in London are likely to exacerbate this position further. This problem will not be solved overnight and will require new mechanisms and allied processes that are wide-ranging and agile enough to help resolve the situation.

- 5.2. Discussions with key local contractors, including Ballymore, Canary Wharf Contractors, Morrisroe, MACE, Berkeley Homes and F3, have highlighted the difficulty in recruiting local residents, even with support with job brokerages such as WorkPath. They have also highlighted concerns with the current quality and nature of construction training in London even when they have managed to recruit local people; and have indicated a wish to develop mechanisms to meet the S.106 opportunities and additional prospects arising from the government's new apprenticeship levy. The training currently offered simply does not meet the emerging demands of the sector. The recent Review of the UK Construction Labour Model for the Construction Leadership Council (CLC) strongly suggested that gaps in provision will not be delivered by the current delivery models. This has led some contractors to themselves explore the establishment of training centres to deliver the new types of training required. This also highlights the need for a model for delivery across the whole of this sector, particularly in London, which promotes flexibility and agility based on industry needs. In this context, when talking to contractors, the concept of establishing a Group Training Association (GTA) has proven a seductive one.

The GTA Model

- 5.3. The GTA model has been delivering successfully since the 1960s and is traditionally an employer-led mechanism for delivering apprenticeship and vocational training that meets industry needs and requirements. It is run as a charity/not-for-profit company utilising government training funds and contributions from industry¹ to manage delivery; and is normally linked to a self-run physical training centre. To be an effective centre for construction training, the GTA would have to be able to deliver:
- a. Apprenticeships and NVQ training up to Level 5/6;
 - b. One-off or regular training programmes funded by employers, boroughs, or individuals;
 - c. On-site training and accreditation through On Site Assessment and Training (OSAT)/Experienced Worker Practical Assessment (EWPA)/onsite assessments.

¹ In this case it is likely that the boroughs will continue to support with existing S106 contributions secured for this purpose, and that discussions will also take place to review the requirements of the boroughs SPDs and the methodology for supporting construction training.

Cathall Road Training Centre

- 5.4. Officers currently consider that a suitable central infrastructure facility exists at the Cathall Road Construction Training Centre in LBWF, although the GTA model and governance arrangements would not be tied to this particular site. This centre, based in Leyton and only 15 minutes from Mile End, was built as part of the London 2012 legacy as one of only two specialised scaffolding centres in the South East, capable of delivering training at NVQ2 or above:
- a. The land is owned by UKPN.
 - b. LBWF is the main leaseholder and is currently reviewing possible future usage.
 - c. The current sub-leaseholder delivering training at the Centre is the National Construction College (NCC).

All consulting partners are keen to utilise this centre for an East London training facility and as part of the development of a GTA “hub and spoke” programme.

- 5.5. Discussions have taken place at a senior level between LBWF and the LLDC. LBWF 's October Cabinet has agreed to the further development of the GTA proposals alongside negotiating a phased exit strategy (from the Cathall Road site) with CiTB and an extension of the original 10 year Planning Agreement for the Cathall Road site.
- 5.6. The timetable for the setup of the GTA, including the legal processes involved in establishing a formal board structure is tight, but CiTB are open to a phased exit from in order to ensure continuous delivery from the site.
- 5.7. In addition to the establishment of the GTA, a training provider will need to be commissioned and; potentially, a bid for LEAP funding could be submitted in January 2018, although the timeframe for the bidding round is not yet known and it may be that delays and processes make a LEAP bid unpractical. LBWF is undertaking an assessment of the possible costs of refurbishment and upgrading, but requirements are likely to focus the need for updated IT equipment and could therefore conceivably be funded from other sources.
- 5.8. It is presently assumed that delivery under the new GTA will commence in the summer of 2018, but with CiTB open to a phased exit from the Cathall Road site there is room for this timeframe to slip without consequence.

LLDC Involvement

- 5.9. The London Legacy Development Corporation (LLDC) previously commissioned a consultant report to review the possibility of establishing a GTA for the Olympic Park. The subsequent report highlighted the benefits of the scheme, but stressed the inability of a scheme purely for the Park to become cost effective and therefore encouraged the LLDC to continue to explore the practicalities of establishing such a GTA across and in partnership with neighbouring/partner boroughs.

- 5.10. The report estimated that a minimum of 200 apprenticeship opportunities would be required to enable a GTA to be financially viable. LBTH Officers had reached the same conclusion, based upon an anticipated number of apprenticeship posts of around 120 a year, i.e. further economies of scale would be required to make a GTA cost effective. It is the opinion of the LLDC, LBTH and neighbouring boroughs that establishing a training centre/provision across East London offers the most cost efficient solution. As a result of this, ongoing discussions are being held between LBTH and LLDC, LBWF and Hackney officers with a view to developing a joint initiative.
- 5.11. Officers believe that the establishment of a GTA should be seen as offering an all-round solution to the problem of skills and apprenticeship training for the construction sector not only in Tower Hamlets, but to East London and potentially for London as a whole. Working closely with WorkPath, the GTA would help establish the growth of a culture of construction employment for LBTH residents within both manual and professional fields. It is anticipated that this would raise the quality and quantity of apprenticeship delivery and employer-led training available, as well as meeting current demand whilst driving new demand.
- 5.12. LLDC has engaged a consultant (CEO Global Education Specialists Ltd) to put forward options and recommendations for the governance structures and procurement process. The timeframe for output delivery is set out below.

Delivery Model/s

- 5.13. The traditional GTA model looks to run training from a physical training centre. Establishment of such a facility is not feasible in a borough like Tower Hamlets, where land values are such that establishing a large scale physical centre would be financially impossible. This leaves three options:
- a. Deliver all provision remotely on-site or on pop-up premises;
 - b. Look at obtaining a site outside of the borough, most likely with other partners;
 - c. A mixture of both options a. and b.
- 5.14. Option a. is perfectly feasible and facilitates a model which allows for agility of delivery and an ability to utilise training offered by contractors at their training sites (e.g. Morrisroe for formwork). This follows on from the model established by the CITB in their client-led approach/National Skills Academy for Construction (NSAfC), which expressed the requirement to set up physical on-site training facilities on major development sites as part of any NSAfC agreement. This “pop-up” system is a model that does work, but relies heavily on different contractors working together to refer apprentices across sites. On its own, such a joint working relationship is difficult to maintain, but is part of the “modus operandi” for the GTA. However, relying solely on a “pop-up” model leads to a lack of ownership which is inherent with a physical training centre. It also relies on training facilities being available on site as and when required, and this is not always possible. An actual physical centre location

allows for better planning and control of delivery and would be easier for the GTA to manage.

- 5.15. LBTH and LLDC officers agree that to enable a truly flexible, employer-led model capable of delivering a wide range of necessary skills/competencies, particularly to meet the challenges of new methods of construction and technological changes, the GTA would benefit from a mix of physical facility and outsourced “pop up” delivery.

ATA Model

- 5.16. The GTA model being suggested is not to be confused with the ATA model (Apprenticeship Training Agency). The ATA model is an employment agency for apprentices and under this model, apprentices are directly employed and managed by the ATA, and they undertake their apprenticeship with an approved training provider whilst being hired out to host employers. The ATA model outsources the training activity for the apprenticeship to training providers, whereas the GTA model only offers training for the apprentices as explained above.
- 5.17. One of the incentives for researching alternative delivery models is the difficulty in tracking and retaining apprentices within the construction industry. Modern build methods have meant many apprentices are unable to fulfil all the requirements of their training on one site; it has created difficulties for contractors in fulfilling their S106 obligations attached to particular developments, and for the Council in being able to evidence delivery and establish audit trails to justify discharge of S106 Obligations. It was believed that the establishment of an ATA (Apprenticeship Training Agency) whereby the council employed the apprentice using the S106 funding and essentially used the development sites to provide “placements” would overcome these issues. With these issues in mind GTA’s often establish Apprenticeship Training Agencies (ATAs) to manage continuity of apprentices across different contractors.
- 5.18. Officers are therefore mindful to ensure that whatever structure is put in place at Cathall Road encompasses both training and brokerage.

Development Timeline

- November 15th – draft paper on governance structure models
- November 23rd - Steering Group consultation
- November 30th – Second report on governance structure models
- December 14th – Steering Group consultation
- New Year – boroughs submit their detailed reports and recommendations to internal governance

Legal Implications

- 5.19. Officers from the partner boroughs will be working closely with the consultant to develop a suitable governance structure which is owned and led by industry,

but supported and influenced by the partner boroughs. However, in establishing the structure consideration needs to be given to the procurement implications for the boroughs and what options may enable boroughs to direct the expenditure of their training budgets through the GTA without additional procurement processes. The consultant will therefore be considering governance structures that enable this whilst still minimising legal and financial liabilities for the boroughs.

Possible scenarios and issues to be considered

- 5.20. It is currently proposed that the Cathall Road training centre will continue to be sub-leased by LBWF and a training provider and broker formally procured. It is envisaged that this lease will be a full repairing lease, with a Service Level Agreement which will state targets for delivery. The SLA will also require the training organisation/GTA procured to bring with it apprenticeship funding, approval from the CITB to deliver CITB Levy funded training; and a commitment to run full cost recovering courses as necessary, It will also contain agreement to deliver training on pop-up sites across the boroughs established with contractors/developers or via on-site assessment . Management of this will rest with the LBWF.
- 5.21. Whilst it is the intention of officers to securely limit liabilities for LBTH, one of the issues that will require consideration by LBTH Legal and other partners is the use of S106 funds to support the delivery of the construction training. Without a formal legal partnership arrangement in place LBTH is unlikely to be able to secure a waiver to procurement processes and will still have to tender for additional services, as we do currently. It would be beneficial if the governance structure was such that this issue was dealt with as part of its establishment. Having said that, if the GTA essentially becomes self-financing then S106 funding secured to support residents into the sector could be utilised to support niche programmes such as an expansion of the “Women Into Construction” programme.
- 5.22. In the event that partners fail to secure a lease on Cathall Road, the training organisation/GTA can be procured to deliver training solely on pop-up sites or on-site assessment. The risk of not being able to lease the Cathall Road site is minimal.

Financial Implications

- 5.23. There are no financial costs arising immediately from this report and a further report will be submitted in the new year to set out implications highlighted by the consultant; however:

Development work

- 5.23.1. Currently there is £150k of S106 funding that was secured through IDSG in 2016. The approved PID securing this project funding is titled, “Increasing Employment Outcomes”, and received final approval on May 24th 2016. Funding is available over two years to secure a project development

manager in post since April 2017), on a part time contract, with associated development costs such as procurement advice and internal legal fees.

Capital Funding

- 5.24. An assessment is being undertaken by LBWF to identify potential structural changes within Cathall Road which would be required to enhance the work of the GTA, to make it capable of delivering a range of modern methods of construction. The current physical condition of the centre is very good and the need for significant capital investment is not envisaged. However, there will be a need to upgrade IT equipment significantly for it to deliver CADD and other higher level training.
- 5.25. There is a London Economic Action Partnership (LEAP) capital funding round, originally to be launched in October 2017, but which is now likely to be delayed until after the new year, which the GLA explicitly see being exploited to deliver the GLA “hub and spoke” proposals. Subject to any agreement with the current sub-leaseholders, potentially a joint bid will be submitted, led by LBWF, but is dependent on timeframe and whether or not it is fit for purpose.

Revenue Funding

- 5.26. It is not envisaged that any further revenue funding will be required to support the development phases of the project. As noted above, LBTH legal and procurement advice will be required, but this already accounted for by secured S016 funding.
- 5.26.1. LLDC has to-date covered all costs associated with development of the GTA and any further development costs will continue to be covered by the LLDC.
- 5.27. In relation to the long term financial implications of sustaining the GTA it is fully intended that the industry led model will be self-financing. However for additional delivery, LBTH already has significant S106 funding secured to support construction training for LBTH residents, as well as obligations to provide LBTH apprentice placements during both construction and end user phases of every development, and the ambition going forward is that the newly established east London training centre will be the primary mechanism for delivering the obligations of both the developers and the local authorities. This however, is a key issue for legal and procurement considerations:
- 5.28. Whilst the report has noted the intention to minimise financial liabilities for LBTH the partnership agreement put in place will have to be of a formal nature to enable local authorities to be considered legal partners in the process of procuring a training provider, otherwise the authorities would still have to undertake their own procurement process for commissioning training providers, with no guarantee that the proposed GTA would be the successful tenderer. Initial discussions with LBTH Procurement have put forward two potential options, but these are based on preliminary discussions and other options will be put forward by the consultant.

Planning Obligations and SPD

5.28.1. Assuming that the governance and procurement issues can be solved to the satisfaction of all, going forward, discussions will take place with partner boroughs to ensure a consistent approach to securing the necessary funding, placement support and supply chain obligations, in line with a commitment currently being developed by the LLDC and taking into account procurement regulations as highlighted above. Support from LBTH Planning Department will also be required and discussions have begun.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1. This report seeks the approval of the Mayor in Cabinet for the Council to engage in the establishment of an East London Group Training Agency (GTA) in partnership with the London Legacy Development Corporation (LLDC) and other east London councils. The GTA will provide apprenticeships and other vocational training for roles in the construction industry. Following development of the proposals, a further report will be submitted to Cabinet to approve the governance structure and to consider the legal, financial and procurement implications for the Council.

6.2. At this stage the Council is not entering into any long term financial commitments but has employed a part-time project development manager and will incur costs in developing the proposals, including the commissioning of procurement and legal advice (paragraph 5.23.1). These costs will be fully financed through Section 106 resources of £150,000 that have previously been approved for projects intended to increase employment outcomes.

6.3. A detailed assessment of the financial implications of any proposals will be included in the future Cabinet report. It is anticipated that the GTA will become self-financing over time, however Section 106 and Apprenticeship Levy funding may initially be required to support revenue costs in the early years. The Council and its partners are expected to submit funding bids to the London Economic Action Partnership (LEAP) to secure resources to finance the required capital investment in IT equipment. These issues will be considered in detail when the operating model and partnership arrangements are more developed.

7. LEGAL COMMENTS

7.1. This report seeks the approval of the Mayor in Cabinet for the Council to engage in the establishment of an East London Group Training Agency (GTA) in partnership with the London Legacy Development Corporation (LLDC) and other east London councils.

7.2. At this stage, there are no legal implications. It is noted however that a further report will be presented in the New Year setting out recommendations for the adoption of a formal governance structure including legal, financial and procurement implications for the Council; and to seek approval for formal LBTH

representation within the recommended governance structure. Any legal implications will be addressed in that report.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1. In line with The Single Equality Framework (SEF), the GTA, with support from WorkPath will seek to put in place best practice guidelines to ensure that the workforce of contractors in the borough better reflect the local community.
- 8.2. The provision of apprenticeship training will ensure continued development of young people. This will be supported through entry level programmes to enable local young people, particularly women, disabled people and from BAME groups to enter into a sector which they are significantly under-represented. This will include the provision of pre-apprenticeship programmes, such as the recent programme developed with Ballymore and funding through S.106 funding. Specific courses for women will continue to be organised through WorkPath to encourage take-up.
- 8.3. It is intended that robust equality targets will be included within the Service Level Agreement which the training provider will be required to sign as a condition of the lease. This will be monitored closely by the Board, Group and Borough Officers.

9. BEST VALUE (BV) IMPLICATIONS

- 9.1. Joint processes will be established with the LLDC and partners to provide value for money. This will be in line with the intentions outlined in the LBTH Best Value Action Plan. In particular, it is envisaged that procurement for the GTA training provider will require tendering through a full OJEU advertising process.
- 9.2. Best Value procurement processes will be put in place to support local businesses (especially SME and alternative providers) and third sector organisations

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1. It is envisaged that the scope of training to be delivered by the GTA will include new green skills (such as an instillation of green roofing), which will support the sustainability requirements of the Council. The increased recruitment of local people into construction and the growth and subsequent use of local sub-contractors' developments in east London will lead to a decreased carbon footprint in the borough as the number of commuter/business journeys into the borough fall.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1. Lack of Support from Contractors - Contractors have been actively consulted by LBTH, LLDC and other borough partners over the last 6 months this consultation will continue. It is envisaged that Contractors will be required to

support the use of the GTA via S.106 planning obligations. Failure to secure these obligations via introduction of a Supplementary Planning Document will mean a continuation of the consultation and liaison with contractors through WorkPath to maximise opportunities.

- 11.2. Failure to secure Cathall Road as the training hub - Officers will work closely with contractors in the borough to utilise contractors-led pop-up training centres to deliver bespoke training as and when required. Whilst this will lack the incentive of working through a main “hub”, it will however mean that demand led training can be delivered.
- 11.3. Failure to secure LEAP funding for Cathall Road capital development - Cathall Road is currently able to deliver a wide range of demand-led training without the benefit of additional adaptations. CADD and other higher level training will be delivered via on-line delivery.
- 11.4. LEAP funding for Cathall Road proves inadequate to deliver changes required - Robust project management processes to be established with LBTH Officer who has extensive experience in similar projects.
- 11.5. Failure to secure appropriate training provider - Previous soft-testing by LLDC has indicated significant interest from training providers and current GTAs nationwide and there is already a list of appropriate providers in place.
- 11.6. Failure to maximise use by LBTH residents and businesses - WorkPath to be intrinsically involved in the process to ensure residents and businesses are signposted to opportunities and supported to sustain them in employment/apprenticeship positions.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1. The increase in training of local young people into apprenticeships and employment opportunities in LBTH will decrease the number of NEETs and decrease the likelihood of offending. Additional support provided by WorkPath to enable ex-offenders to take up the training and apprenticeship places offered will decrease the amount of re-offending and lead to a subsequent fall in crime rate.

13. SAFEGUARDING IMPLICATIONS

- 13.1. All staff associated with the training provider will automatically be DBS checked. Safeguarding processes will be put in place (including through the Prevent programme) in line with SFA guidelines.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

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

<http://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2016/10/Farmer-Review.pdf>

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Withy House Tenant Management Organisation (TMO) Termination Notice</p>	

Lead Member	Councillor Islam, Cabinet Member for Housing
Originating Officer(s)	John Coker, Strategic Housing Manager
Wards affected	Bethnal Green
Key Decision?	Yes/No
Community Plan Theme	A Great Place to Live

Executive Summary

Withy House TMO was set up in 1996 to manage a single block of 80 flats on Globe Road. A Management Agreement was signed on 10th July 1996 in accordance with the Housing (Right to Manage) Regulations 1994, under which the Council appointed the TMO to undertake responsibility for Cleaning, Caretaking & Grounds Maintenance, Day to Day repairs, Rent Collection and Arrears Control in the block. It has a staffing complement of one Caretaker and one part time Manager.

Following investigations by the Council and its agent, Tower Hamlets Homes, the Council now believe Withy House Tenant Management Co-operative (the TMO) to be in breach of its obligations under the Management Agreement. A breach notice was served in June 2016 followed by a termination notice in January 2017. Under the terms of the Management Agreement drawn up in 1996 the TMO has a right to seek a review of the decision to terminate the management agreement from the Housing Committee; the nearest equivalent decision-making body today is Cabinet

Recommendations:

The Mayor in Cabinet is recommended to:

1. Review the decision to terminate the Withy House Management Agreement
2. Decide on whether or not the decision to terminate the Management Agreement should be upheld.

1. REASONS FOR THE DECISIONS

The response from the TMO to the matters raised in the breach notice served on them in June 2016 did not indicate that the TMO had the competence or capacity then, or in the near future, to remedy the shortcomings identified in a draft internal audit. The Council is therefore not satisfied that the TMO has satisfactorily initiated the necessary action to remedy the breaches in the necessary timescale, or is likely to do so in the future. Public funds have already been put at risk due to the TMO's failings and remain at risk.

2. ALTERNATIVE OPTIONS

Alternative options considered, but not recommended by officers, are to either remove the delegated authority for specific functions e.g. repairs, but allow the TMO to continue under an action/improvement plan, or to offer the TMO more time to strengthen its action/improvement plan. Neither of these options really addresses the systemic failures of the organization, and would leave the risks identified by the LBTH audit to continue for an indefinite period. The officers and advisors' view was that that the time required to implement an action and improvement plan could extend to 18 months or more (assuming that there were sufficient volunteers among residents who were both willing and able to undergo the necessary training and devote the extensive personal time to achieving the outcomes required).

3. DETAILS OF REPORT

3.1 In November 2015, the new Chair of Withy House Tenant Management Organisation informed Tower Hamlets Homes (THH) of numerous concerns around the TMO's management and employment issues. This prompted a number of meetings and discussions within THH / London Borough of Tower Hamlets.

3.2 A decision was taken to carry out an Audit of the TMO's management & governance. This was carried out by the Council's internal audit team in February 2016.

3.3 At the same time, THH commissioned a Housing Consultant (& TMO specialist), to make contact with TMO Committee members and assess the members' understanding and competence, represent the council's interests and advise on Management Agreement (MA) options.

3.4 Internal audit findings

3.4.1 The Audit investigation concluded that the council could have Nil Assurance concerning the management & governance of the TMO. The audit found there had been a systematic failure of good governance that had put at risk the TMO's effective management. The audit identified long-standing failures in practice and procedure which compromised effective management. The audit found that there had been negligible training, guidance or support across the organisation and neither the members of the Management Committee nor the TMO staff had sought such assistance either from the council or from external agencies.

3.4.2 Furthermore, the audit found that there was a serious risk around the suitability of the TMO's repairs and maintenance contractors and that safety certification, checking of insurance and vetting of staff has not taken place.

- 3.4.3 A high level of rent arrears was found which indicated a systematic failure of arrears control. Appropriate financial procedures were not in place and the TMO had run up a deficit in the previous financial year of £11,000¹. This had substantially depleted the TMO's reserves.
- 3.4.4 The audit revealed that staff employment matters were inadequate and the basics of Contracts and Job Descriptions were not in place. In addition the TMO had failed to deal with a staff grievance, which had put the TMO at risk of facing potentially damaging Employment Tribunal proceedings.
- 3.4.5 The Committee operated without a Code of Conduct; committee administration was lacking; there was no schedule of agreed meeting dates, and no comprehensive minutes were held to record Management Committee decisions.
- 3.4.6 The audit found that the TMO budget was set by the bookkeeper rather than by the Management Committee.
- 3.4.7 There is no Business Plan in place and therefore no aims and objectives or longer term strategic plans in place.
- 3.4.8 The TMO had not held the five yearly ballot required by the Management Agreement since 2009. An absence of signed and dated agreed policies and procedures reflect the Management Committee's lack of understanding and competence in relation to their roles and responsibilities.
- 3.4.9 The audit identified a risk arising out of the absence of robust anti-fraud procedures and up to date bank mandate records. The audit also questioned the adequacy of committee members to implement the recommendations of the Audit Report.

3.5 Breach notice

- 3.5.1 Based on these findings, the council served a Breach Notice on the TMO on June 3rd 2016 outlining six specific breaches of the TMO Management Agreement (Appendix 1).
 - 3.5.1.1.1 **Breach 1** – Training and Information – failure to ensure that members, committee members and staff have access to training opportunities.
 - 3.5.1.1.2 **Breach 2** – Five Year Ballot – failure to ensure, that not less than once every five years, the tenants and leaseholders are consulted concerning the continuation of the management agreement by way of a secret ballot or anonymous questionnaire.
 - 3.5.1.1.3 **Breach 3** – Repairs and Maintenance – failure to maintain an approved contractor's procedure, retain copies of insurance certificates and report matters to a sub-committee/Board/General meetings.
 - 3.5.1.1.4 **Breach 4** - Rents & Arrears – failure to take prompt action to recover rent arrears and prevent arrears becoming serious, and failure to set up a rent arrears sub-committee.
 - 3.5.1.1.5 **Breach 5** - Financial policy and procedures – failure to set up a finance sub-committee, failure to make the Board aware of the financial situation, failure to involve management on budget setting, failure to maintain an effective account management system.

¹ The accounts of the TMO record a deficit for each of the financial years 2014/15 (-£9,167), 2015/16 (-£14,314) and 2016/17 (-£3,003)

3.5.1.1.6 **Breach 6** - Staffing & Employment, – failure to follow recruitment and disciplinary procedures, no job description for the TMO manager or contract of employment, no staff supervision procedures in place.

3.5.2 The TMO acknowledged receipt of the Breach Notice on 6 June 2016 and assured the Council that it would give the breach points its urgent attention. The TMO responded to the Breach Notice on 24 June 2016. In its response, the TMO accepted numerous failings identified in the Audit report and Breach Notice, and indicated its willingness to address the breaches by undertaking training for Management Committee members and revising and introducing procedures as outlined in the audit and Breach Notice.

3.5.3 Further correspondence between LBTH and the TMO took place in July 2016 to clarify matters regarding the Breach Notice, and attempts were made by THH on four occasions in September/October 2016 to contact the TMO to arrange a meeting, the TMO finally responded on 10th October and the meeting took place on 2nd November.

3.5.4 However, the breaches were substantially not remedied and, on 4th January 2017, LBTH served a Termination Notice on the TMO (Appendix 2) giving the requisite 3 month notice to expire, at the end of a calendar month, on 31st April 2017.

3.6 Options

3.6.1 The council was faced with 3 options when presented with the TMO's response:

Option 1 – remove the delegated authority for specific functions e.g. repairs but allow the TMO to continue under an action/improvement plan

Option 2 – offer the TMO more time to strengthen its action/improvement plan

Option 3 – terminate the agreement giving the requisite notice

3.6.2 These options were evaluated as set out below.

3.6.3 **Option 1** did not really address the systemic failures of the organisation. It would have simply addressed those areas of service delivery in which the TMO was failing most severely. Removal of such functions as caretaking and day to day repairs would more or less have removed the TMO's raison d'être.

3.6.4 **Option 2** left the risks identified by the LBTH audit to continue for an indefinite period until the effects of an improvement plan kicked in. If the scale of the task facing the TMO was less severe, this option might have appeared attractive. The officers and advisors' view was that that the time required to implement an action and improvement plan could extend to 18 months or more (assuming that there were sufficient volunteers among residents who were both willing and able to undergo the necessary training and devote the extensive personal time to achieving the outcomes required).

3.6.5 **Option 3** was the preferred option largely because the response from the TMO did not indicate that the TMO had the competence or capacity then, or in the near future, to remedy the shortcomings identified in the draft internal audit.

3.6.6 The amount and level of training required of Management Committee members was felt to be more or less equivalent to the level of training which a brand new TMO would be required to undertake before launching. Such a training programme is quite intensive and many developing TMOs take 2-3 years to achieve the required level of competency.

- 3.6.7 The matters concerning contractors and employment required immediate action and it appeared that the TMO did not have the requisite knowledge and experience at that moment (nor would it have in the immediate future), to undertake these actions.
- 3.6.8 It was surprising that Committee members' knowledge of TMO governance and practice was at such a low level that they seemed to be unaware of the failings of the organisation, the risks it faced and the financial difficulties it was in. Similarly, it called into question the TMO Manager's knowledge and competence, as they could and should have identified the key issues and brought the concerns to the attention of the Committee. It was irresponsible of the organisation that it had failed to deal with an employee grievance that may have resulted in the TMO facing a damaging and costly Employment Tribunal. The council was justifiably concerned that the TMO did not appear to have the capacity to reform and improve itself in a timely manner, if at all.

3.7 Legal Position

- 3.7.1 Following the audit and independent investigation, the council sought advice from the Legal Department about the wording and process of the Breach Notice. The legal advice indicated that the Council would be justified in pursuing Option 3.
- 3.7.2 Following agreement to follow Option 3, LBTH drafted a Notice Terminating the Management Agreement. The Notice period for termination was 90 days. During those 90 days, the Secretary of State was informed of the intention to determine the management agreement and, in his response, acknowledged that the requirements in respect of termination of the management agreement had been complied with.

3.8 Current Position

- 3.8.1 On 28th February 2017 the council was contacted by legal representatives of the TMO requesting that the Termination Notice be withdrawn as the TMO had remedied some of the breaches set out in the Termination Notice and notified the Council of its intention to serve a Counter Notice in accordance with the provisions of the management agreement. In this letter the TMO asserted, incorrectly, that the Termination Notice only cited 3 outstanding issues which required documentary evidence to satisfy concerns and listed the 3 ways in which the documents that were provided did comply with what was sought.
- 3.8.2 The TMO served a Counter Notice on 22 March 2017. This repeated the incorrect belief that the termination Notice was served in respect of only 3 out of the 6 breaches and that all the breaches had either been remedied at the date the Termination Notice was served or action had been initiated to remedy them. The TMO invited the Council to withdraw the Notice of Termination.
- 3.8.3 The Council provided the TMO with its response to the Counter Notice on 4 April 2017, informing the TMO that their assertion that the termination Notice was served in respect of 3 out of the 6 breaches in the Breach Notice was incorrect and went on to provide the TMO with detailed reasons as to why the Council was not satisfied that the breaches had been remedied or that action had been initiated to remedy them to its reasonable satisfaction.
- 3.8.4 A Notice of Dispute was then served by the TMO on 25th April 2017 (Appendix 3) and was rejected by officers on the basis that any Dispute should not delay the ability to terminate the management agreement in accordance with the MA.

- 3.8.5 Subsequent to this there has been an exchange of letters between the parties on a number of points which resulted in the original termination date of 31st April 2017, and a subsequent date of 31st July 2017, being suspended pending resolution of the ongoing communication.
- 3.8.6 A second Notice of Dispute has been served dated 22nd May 2017 concerning the decision not to accede to the first Notice of Dispute. Officers responded on 28th July 2017 (Appendix 4) but the TMO have requested on 16th August 2017 that the matter is now considered by the equivalent of the Housing Committee in accordance with their rights under the Management Agreement.
- 3.8.7 The Notice of Dispute that the TMO wishes the council to consider covers a number of issues. The areas of dispute are;
- The Breach Notice was not validly served
 - The TMO disputes there has been any breach of the Management Agreement
 - The Termination Notice was not validly served
 - The Termination Notice did not validly determine the Management Agreement
 - The council failed to give proper reasoned consideration to the counter notice served by the TMO.

The Breach Notice was not validly served

- 3.8.8 In responding to the Notice of Dispute officers have set out the reasons why they believe the areas highlighted should not delay the termination of the MA. Specifically;
- That the Breach Notice dated 3 June 2016 was served by way of letter, addressed to the Management Committee, by hand to the TMO Manager of Withy TMO at the TMO's registered office as well as by email on 3 June to Withy TMO's email address with the Secretary to the TMO copied in. This accord with paragraph 9.3 of Chapter 6 of the management agreement which states that notices 'may' be served by post (they can therefore also be served by hand and by email). Where they are sent by hand or by email there are no specifications as to who they must be served on. In this case the email was sent to the Secretary to the TMO. Further, in so far as the Notice was also served by letter addressed to the Management Committee, the Secretary to the TMO is part of the Management Committee and thus the Notice was sent to her. As such officers consider that there has been strict compliance with clauses 9.2 and 9.4 Chapter 6.
- 3.8.9 When considering whether the Breach Notice has been validly served an arbitrator will consider whether each and every specific requirement is an indispensable condition which renders the notice ineffective in the absence of full compliance, using a commercially sensible interpretation, and will consider whether there has been substantial compliance, including whether the Notice was sufficiently clear, and whether any prejudice has been caused to the TMO. Officers consider that the Notice was validly served and that:
- (a) communication by email is an extremely common commercial business practice;
 - (b) the Breach Notice and accompanying email was extremely clear; and

- (c) the TMO suffered no prejudice – on 6 June 2016 the Secretary wrote to THH to acknowledge receipt of the Breach Notice on 3 June 2016 and giving assurance that Withy TMO would give the breach points raised their most urgent attention.

Breach of the Agreement as Set out in the Breach Notice

- 3.8.10 The TMO did not admit breaches in the correspondence from their legal representatives despite;
- a) its previous attempts to try and (unsuccessfully) rectify the issues raised in the Breach Notice,
 - b) its failure to challenge the accuracy of the audit report; and
 - c) its failure to previously assert that it was not in breach of the Agreement.

- 3.8.11 Indeed, the TMO informed THH that it had ‘studied that attached draft Audit Report and were working hard to address your concerns’. Had there been a real issue relating to breach it is to be expected that this would be raised at the time. However, on the contrary, the communication, when dealing with the specific breaches, accepted that there had been breaches of the Agreement.

Termination Notice Validly Served

- 3.8.12 The Termination Notice dated 4 January 2017 was served by way of a hand delivered letter addressed to the Management Committee at the registered office of the TMO. It was also served by email to the TMO’s email address.

- 3.8.13 As stated in paragraph 6.8 of this report, officers contend that there was compliance with the terms of the management agreement because:
- a) communication by email is an extremely common commercial business practice;
 - b) delivery by hand to the registered office is a more effective way of assuring that the Termination Notice is safely received than registered delivery;
 - c) the Termination Notice was very clear; and
 - d) The TMO suffered no prejudice – it received the Notice promptly, was aware of the serious nature of the Termination Notice and was able to promptly seek legal advice as shown by the solicitor’s letter dated 28 February 2017.

Termination Notice Determined the Agreement

- 3.8.14 Clause 19.2.5 Chapter, which relates to the ways in which the management agreement can be terminated, states that, ‘upon expiry of 3 months written notice given to the TMO’. There is nothing in this clause that requires the Council to set out in the Termination Notice itself that the TMO had failed to remedy a breach or initiated the necessary action to remedy the breach to the reasonable satisfaction of the Council. All that is required is 3 months written notice. This was given.

- 3.8.15 In any event, as set out in some detail in the Council’s letter dated 28 April 2017 to the judicial review letter before claim, the Termination Notice clearly alleged, in the conclusion section of that letter, that, ‘the Council is not satisfied that the TMO has satisfactorily initiated the necessary action to remedy the breaches detailed above in the necessary timescale, or is likely to do so in the future...’. The reference to ‘the

breaches detailed above' were a reference to all six breaches detailed on the first and second page of that letter.

- 3.8.16 Clause 19.2.5 Chapter 1 of the MA provides that the agreement ends on expiry of the three months. The relevance of the failure to remedy the breach or to initiate the necessary action is to the time before the service of the termination notice. Once the notice is served, save for ability of the TMO to serve a counter notice and for the Council to withdraw the termination notice following its reasoned consideration of the counter notice, the termination notice takes effect on the expiration of the three months.
- 3.8.17 The Council's letter of the 4 April 2017 made clear why it was satisfied that there was either a breach and/or no necessary action had been initiated.
- 3.8.18 As part of the detail as to how the TMO was seeking to remedy the breaches the counter notice stated that a mentoring arrangement had been established with the Leathermarket JMB, a large TMO (1500 homes) in LB Southwark. However, enquiries have shown that this was not pursued past an initial enquiry through the TMOs solicitors. A further claim was made that, following contact with the Chair of the National Federation of Tenancy Management Organisations (NFTMO); the TMO would seek to achieve the NFTMO Kite for good governance. This is a highly detailed and onerous process requiring numerous procedures to be in place and which should also have been in operation for some time before the Kite mark could be achieved.

Consideration of Counter Notice

- 3.8.19 On service of the TMOs Counter Notice dated 22 March 2017 officers gave reasoned consideration to withdrawing the notice as required by clause 19.2.5 Chapter 1. This is evidenced by the Council's letter of 4 April 2017 which set out in detail its decision and the reasons for it. The TMO has produced no evidence to suggest otherwise. Following such consideration officers agreed not to withdraw the Termination Notice.

3.9 Integration of Withy House into Council management following the closure of the TMO

- 3.9.1 Should Cabinet uphold the decision of officers, the TMO would be entitled under the terms of the MA to refer the dispute to Arbitration under the Arbitration Acts 1950 to 1979. If the Arbitrator upholds the decision to terminate the MA, then the units at Withy House would be integrated back into THH's direct management.
- 3.9.2 THH will assess the caretaking, cleaning and grounds maintenance needs of the block and it will have service staff allocated to carry out these functions.
- 3.9.3 Following termination, repairs services will be delivered to the block in the same way as all other directly managed properties.
- 3.9.4 Staff at THH have been alerted to the possibility of taking on responsibility for services at Withy House since the original Termination was served. The Management Agreement can formally only end on the last day of the month therefore handover of services could be achieved with effect from 1st February 2018 (however it should be noted that should the TMO decide to exercise its entitlement to seek arbitration this would delay any handover timetable accordingly)
- 3.9.5 The Council may have a TUPE obligation to any staff currently employed by the TMO and this will be investigated in detail and discussed with the TMO. The TMO currently

employs one part time manager and a caretaker however both of these posts are believed to be filled by contracted staff. Bookkeeping and audit functions are outsourced.

- 3.9.6 The TMO will be advised to hold a Special General Meeting to dissolve itself as a Registered Society and an audit will be carried out within 3 months of any decision to terminate. This will identify any TMO assets and liabilities. The Council will have a claim to recover any reserves and funds specifically earmarked for Maintenance. Given the TMO's recent deficit, it will be hard for the TMO to claim it holds any surplus funds which the council would not be entitled to recover.
- 3.9.7 Throughout this period, if termination is to take place, the Council will ensure that channels of communication with all residents are opened and will ensure that they are informed about the demise of the TMO, the reasons for that and how things will change in the block's management going forward.
- 3.9.8 Withy House is a block of 80 properties. If Cabinet chooses not to terminate the Management Agreement the Council must consider the implications in terms of resources and staff inputs required and what support and assistance it will have to offer the TMO in order to turn itself around. Public funds have already been put at risk due to the TMO's failings and remain at risk.
- 3.9.9 At the end of the financial year 2016/17 rent arrears stood at £28,178 across the 52 tenancies managed. This equates to an average of £541.88 per tenant. Although there are no details as to the individual breakdown of arrears officers are aware that there are a small number of cases that are responsible for a large proportion of the arrears, including one where the figure stands at over £5,000. Worryingly, although the TMO have given assurances that the cases are monitored regularly and agreements to repay are in place, they have not taken any precautionary action to serve Notices to permit a swift escalation of recovery action should the tenant default on the agreement to repay. Whilst there is a small risk to the council's ability to instigate legal recovery of the outstanding debts there is a far greater risk to the tenants ability to repay the substantial arrears the TMO have allowed to accrue. There is also a concern that upon reversion to the council recovery action may need to be started from the beginning to ensure compliance with the pre-action protocol for possession claims required by the courts. This has been mitigated so far by the fact that the TMO are required to pay a sum for the rent collected based upon 100% of what is due (allowing for voids) rather than what has been collected. Any shortfall in collection the TMO is required to make good from their allowances. This may, in part, account for the 'overspend' recorded in their accounts over the past three years. Current rent collection is averaging 97.5% across the first two quarters.
- 3.9.10 If the decision to terminate is upheld, the Council can consider offering assistance to residents to ensure they can set up and run an effective TRA and look at options for use and management of the community space in the block. The block requires cyclical maintenance and re-decoration of the common parts. The Council may be able to offer assurances to residents that these will be delivered under direct management. The same applies to day to day services in terms of THH's Caretaking, Cleaning and Grounds services. Considering the current condition of the block it is not likely that residents will receive any less of a service than they do currently and indeed THH may manage, clean and maintain the block better than the TMO has been doing in recent years due to its decline in effective management.
- 3.10 Comments on the Cabinet report by Withy House TMO**

Withy House TMO were provided with an advance draft of this report and have provided their comments in a response in Appendix 6

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Following concerns that were raised in relation to the management and governance of the Withy House Tenant Management Organisation and a subsequent internal audit investigation that concluded that the Council could have nil assurance, a breach notice was issued to the TMO in June 2016. While the TMO did respond to this notice, accepting that there were numerous failings identified in the audit, the breaches appeared not to have been sufficiently dealt with to provide the assurances required that the proper financial governance arrangements were in place to manage the TMO and to not put public funds at risk. As a result a termination notice was issued in January 2017. This report requests that the Mayor in Cabinet reviews the decision to terminate the Management Agreement with the TMO in order to be satisfied that the correct course of action has been taken.
- 4.2 Three options were considered and evaluated at the time of the TMO response to the breaches and these are set out in Section 3.6 of the report. Following legal advice, Option 3 was considered to be the appropriate course of action for the Council and Tower Hamlets Homes (THH) to take.
- 4.3 If the Mayor in Cabinet upholds the decision to terminate the management agreement it is intended that the units at Withy House will be managed in future by THH. At that point, the TMO will be dissolved, and issues such as TUPE arrangements for existing TMO staff, and the treatment of the TMO's assets and liabilities will be addressed. A programme for the future management and maintenance of the block will also be determined. This may include the offer of support to residents to run a Tenants and Residents Association (TRA) and options for the use and management of the community space in the block. All costs related to the block are financed within the Housing Revenue Account.

5. LEGAL COMMENTS

- 5.1 The Procedure for termination the Management Agreement between the Council and Withy House TMO is governed by the terms of the agreement.
- 5.2 Clause 18 of the Agreement permits a Breach Notice to be served where the TMO is considered to be failing to perform a task or tasks delegated to it in accordance with the performance standards set out in the agreement. If following receipt of the Breach Notice the TMO fails to remedy the breaches or initiate the necessary action to remedy the breach to the reasonable satisfaction of the Council, the Council is permitted by Clause 19.2.2 to serve a three months' notice to end the Management Agreement.
- 5.3 Following service of the Termination Notice, the TMO is entitled to serve a Counter Notice and the council is required to give reasoned consideration to withdrawing the notice. If the Notice is not withdrawn, the TMO then has an opportunity to seek judicial review of the decision to terminate the agreement.
- 5.4 The other remedy available to the TMO is to serve a Dispute Notice if it considers that it is in dispute with the Council. Where a Dispute Notice is served, the agreement provides that the Council's director of housing or an equivalent officer should consider the dispute within 14 days and inform the TMO of its response. If the TMO

remains unhappy with the Council's response, it can request that the dispute is referred to the next meeting of Housing Committee. The Committee is then required to consider the dispute and inform the TMO of its decision within 7 days.

- 5.5 As there is no longer a Housing Committee within the Council, the Cabinet is considered to be the most appropriate committee to consider the dispute.
- 5.6 If Cabinet uphold the Termination Notice, the TMO will have an opportunity to refer the dispute to an Arbitrator whose decision will be final.
- 5.7 The TMO currently employs staff to carry out functions such as caretaking. If the Agreement is terminated then provision will need to be made for these employees. If the service provision is to be transferred to an alternative provider, the Council will have to have regard to the requirements of the Transfer of Undertakings (Protection of Employment) ("TUPE") Regulations 2006 (as amended). Should there not be a need for all the existing employees who currently provide the service then a redundancy situation may arise which will require consultation with the affected employees.
- 5.8 In respect of any employment disputes, there is ACAS guidance which sets out the steps which an employer should take. Failure to follow any resolution process, failure to meet with the employee, failure to provide a right of appeal or to take any necessary steps within a reasonable time frame can have financial consequences in respect of any Employment Tribunal claims as a Tribunal has the ability to increase any award to an employee by up to 25% as a result.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Equalities Impact Assessment (EIA) has been considered and there are no specific equalities implications arising from this report.. Following the decision, services provided to residents will remain substantially the same as before, but provided by THH rather than Withy House TMO. It is the council's duty to ensure that THH deliver efficient and effective services; accessible to all that meets the needs of different people.

7. BEST VALUE (BV) IMPLICATIONS

- 6.2 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 Internal Audit findings at Paragraph 3.4 above note in detail the concerns which the Council has regarding the TMO's previous and current management of the properties, and Paragraph 3.6 identifies why the Council believes that the TMO is not in a position to remedy the breaches within a reasonable timescale. Integration of the housing services currently provided by the TMO into the direct management by THH will ensure that these services are provided to the same standard as is achieved across the remainder of the council's housing stock .

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no specific greener environment implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Retaining TMO Management of Withy House would not serve the aspirations of the Council or that of residents. Public funds have already been put at risk due to the TMO's failings and remain at risk. The Internal Audit report identified many systemic failings both in governance of the TMO and its management of the housing functions, which include responsibility for both rent collection and repairs and maintenance.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific Crime and Disorder Reduction implications arising from this report

11. SAFEGUARDING IMPLICATIONS

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

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

- **Appendix 1. Breach notice dated 3.6.2016**
- **Appendix 2. Termination notice dated 4.1.2017**
- **Appendix 3. Notice of Dispute dated 22.6.17**
- **Appendix 4 Response to Notice of Dispute dated 28.7.17**
- **Appendix 5 Letter requesting matter be considered by Housing Committee dated 16.8.17**
- **Appendix 6 Response by Withy House TMO**

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

NONE

Officer contact details for documents:

John Coker – Strategic Housing Manager (Ext 3782)



Directorate of Development & Renewal

The Management Committee
Withy House TMO
TMO Office
Globe Road
London E1 4AL

Strategic Housing Team

2nd Floor
Mulberry Place
5 Clove Crescent
London E14 2BG

03 June 2016

Tel: 020 7 364 3782
Email: John.Coker@towerhamlets.gov.uk
www.towerhamlets.gov.uk

Dear Management Committee,

Management Agreement - Chapter 1 Clause 18 Failure to Perform 18.1 Breach Notice

Following investigations by the Council and its agent, Tower Hamlets Homes, in May 2016, the Council believes Withy House Tenant Management Co-operative (the TMO) to be in breach of its obligations under the Management Agreement entered into on 10th July 1996.

The specific breaches as are as follows:

Breach 1 – Chapter 1 Clause 10 Training and Information

The TMO has failed to comply with its training obligations to Committee Members and staff in accordance with in Clause 10 Chapter 1 of the Management Agreement as staff and Management Committee Members appeared to show a lack of awareness of their obligations under the Constitution during the investigations.

Breach 2 – Chapter 1 Clause 16.2 Five Year Ballot

The TMO has failed to demonstrate that all tenants and leaseholders support the continuation of the Agreement as required by Chapter 1 Clause 16.2 of the Management Agreement in that there has not been a tenant/leaseholder ballot since March 2008.

Breach 3 – Chapter 3 Repairs and Maintenance, (pages 66 – 75)

The TMO has failed to properly maintained an Approved Contractors procedure, retain copies of Contractor Insurance Certificates and report repair matters to a subcommittee, the Board or General Meetings as required by the Repairs and Maintenance Procedures in Chapter 3 page 66 -75 of the Management Agreement .

Breach 4 - Chapter 3 Clause 2.1 and Appendix 2 pages 91 – 98 Rents & Arrears

The TMO has failed to take prompt action to recover arrears of rent and to prevent the arrears becoming a serious issue as required by Chapter 3 Clause 2.1 and of the Management Agreement in that as at 28 February 2016 rent arrears in the sum of

£19,939.98 along with Former tenant's arrears of £16,556.71 had been allowed to accrue. Additionally, The TMO has failed to set up a Rent & Arrears subcommittee as required by Chapter 3 Appendix 1 of the Management Agreement.

Breach 5 - Chapter 4 Financial Management

Clause 5 Financial Control and accounting standards & Chapter 4 Appendix 2 Financial policy and procedures

The TMO has failed to set up a Finance Sub Committee in accordance with the provisions of Chapter 4 Appendix 2 of the management Agreement and failed to make its Board members aware of the TMO's serious financial situation. It has also failed to involve the Management Committee Members in budget setting and to generally maintain an effective account management system such that at the end of the financial year ended 31 March 2015, the accounts showed a deficit of £11,402k.

This suggests deficiencies in financial management and depletion in reserves. Despite this, the Board does not appear to have discussed the deficit and members who attended the General Meeting of 4 May 2016 appeared to be unaware of the deficit or how it had arisen, or what steps were being taken to address it.

Breach 6 - Chapter 6 Staffing & Employment

Annex A Page 192 Grievance Procedure 7 pages 195 – 203 Contract of Employment

The TMO has failed to adhere to its recruitment policy and disciplinary procedures set out in Annex A page 192 and pages 195 -203 of the management Agreement. In particular, it failed to follow the Grievance Procedure when it received a written Grievance from its then Caretaker in November 2015. This failure has resulted in the risk of the TMO facing an Employment Tribunal and exposing itself to possible financial loss.

Further, the TMO Manager does not appear to have a Job Description or Contract of Employment. This latter is not only a breach of employment law, it is also a breach of the Management Agreement.

Additionally, the TMO does not appear to have any staff supervision procedures in place.

Conclusion

Evidence of these breaches has been obtained through the internal audit. A copy of the internal audit report with details of the breaches and the remedial steps required to be undertaken by the TMO is enclosed with this Breach Notice.

In accordance with Chapter 1 Clause 18 of the Management Agreement, the TMO has 21 days from the date of this notice to remedy the breaches referred to in this Notice.

Please acknowledge receipt of this Breach Notice by return.

Yours faithfully



John Coker

**Acting Divisional Manager
Regeneration & ALMO Client Management**

The Management Committee

Withy House TMO

TMO Office
Globe Road
London E1 4AL

Strategic Housing
Development and Renewal
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London E14 2BE

Tel: 020 7364 3782

Fax: 020 7364 2533

john.coker@towerhamlets.gov.uk

04/01/2017

Dear Management Committee,

Management Agreement - Chapter 1 Clause 19.1 Termination Notice

The Council wrote to you on 3rd June 2016 to advise that, following investigations by the Council and its agent, Tower Hamlets Homes, the Council believed Withy House Tenant Management Co-operative (the TMO) to be in breach of its obligations under the Management Agreement entered into on 10th July 1996.

The specific breaches quoted were as follows:

Breach 1 – Chapter 1 Clause 10 Training and Information

The TMO has failed to comply with its training obligations to Committee Members and staff in accordance with in Clause 10 Chapter 1 of the Management Agreement as staff and Management Committee Members appeared to show a lack of awareness of their obligations under the Constitution during the investigations.

Breach 2 – Chapter 1 Clause 16.2 Five Year Ballot

The TMO has failed to demonstrate that all tenants and leaseholders support the continuation of the Agreement as required by Chapter 1 Clause 16.2 of the Management Agreement in that there has not been a tenant/leaseholder ballot since March 2008.

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The TMO has failed to properly maintain an Approved Contractors procedure, retain copies of Contractor Insurance Certificates and report repair matters to a subcommittee, the Board or General Meetings as required by the Repairs and Maintenance Procedures in Chapter 3 page 66 -75 of the Management Agreement.

Breach 4 - Chapter 3 Clause 2.1 and Appendix 2 pages 91 – 98 Rents & Arrears

The TMO has failed to take prompt action to recover arrears of rent and to prevent the arrears becoming a serious issue as required by Chapter 3 Clause 2.1 of the Management Agreement in that as at 28 February 2016 rent arrears in the sum of £19,939.98 along with Former tenant's arrears of £16,556.71 had been allowed to accrue. Additionally, the TMO has failed to set up a Rent & Arrears subcommittee as required by Chapter 3 Appendix 1 of the Management Agreement.

Breach 5 - Chapter 4 Financial Management - Clause 5 Financial Control and accounting standards & Chapter 4 Appendix 2 Financial policy and procedures

The TMO has failed to set up a Finance Sub Committee in accordance with the provisions of Chapter 4 Appendix 2 of the management Agreement and failed to make its Board members aware of the TMO's serious financial situation. It has also failed to involve the Management Committee Members in budget setting and to generally maintain an effective account management system such that at the end of the financial year ended 31 March 2015, the accounts showed a deficit of £11,402k.

This suggests deficiencies in financial management and depletion in reserves. Despite this, the Board does not appear to have discussed the deficit and members who attended the General Meeting of 4 May 2016 appeared to be unaware of the deficit or how it had arisen, or what steps were being taken to address it.

Breach 6 - Chapter 6 Staffing & Employment - Annex A Page 192 Grievance Procedure 7 pages 195 – 203 Contract of Employment

The TMO has failed to adhere to its recruitment policy and disciplinary procedures set out in Annex A page 192 and pages 195 -203 of the management Agreement. In particular, it failed to follow the Grievance Procedure when it received a written Grievance from its then Caretaker in November 2015. This failure has resulted in the risk of the TMO facing an Employment Tribunal and exposing itself to possible financial loss.

Further, the TMO Manager does not appear to have a Job Description or Contract of Employment. This latter is not only a breach of employment law, it is also a breach of the Management Agreement.

Additionally, the TMO does not appear to have any staff supervision procedures in place.

The TMO was given 21 days from the date of the notice to remedy the breaches.

You responded on 27 June 2016 accepting that you were in breach of the Management Agreement and stated that you intended to take steps to remedy those breaches. Managers from the council and THH have therefore continued to liaise with you in an effort to ensure that the residents of the TMO are provided with an efficient and value for money service.

At a meeting between the Management Committee, myself, Ann Otesanya and Christine Foley on 2nd November 2016, we informed you that the council still had serious concerns about the ability of the TMO to take appropriate remedial action for rectify the breaches within a reasonable time frame and requested that you provide various documentations to give the council the assurance that these matters are underway and sufficient to remedy the breaches.

Following this meeting, I wrote to you on 23rd November 2016 confirming our discussions and documentation we had asked you to provide us. These were:

Training

- A copy of the training programme for Management Committee members, (which must include the scope of each module, the overall aims and objectives, expected outcomes, details of the quality control measures in place, and anticipated timescales)
- A copy of the contract with the training provider

Repairs

- Copies of all documents and certificates relating to Health and Safety procedures
- Copies of all insurance documents relating to the current repairs contractor
- A copy of the procurement procedure for repairs contractors
- A copy of the Approved List of contractors, and all documents to support this

Ballot

- The timetable for the ballot
- The detailed plan of the arrangements put in place for conducting the ballot
- A list of the Officers on the Management Committee

Employment

- A copy of the Job Description for the TMO Manager

Although you have provided some of these items, I have noted that not all of the items were provided and of those that were provided, not all fulfil the requirements which we were seeking. Specifically:

- The Management Committee training programme provided gives no detail on the overall aims and objectives, expected outcomes, and details of quality control measures in place
- The procurement procedure and Approved List of repairs contractors with all supporting documentation was not provided
- No timetable or detailed plan for conducting the ballot was provided

Conclusion

In view of this, I regret to inform you that the Council is not satisfied that the TMO has satisfactorily initiated the necessary action to remedy the breaches detailed above within an acceptable timescale, or is likely to do so in the future. The Council has a duty to protect the interests of all residents of Withy House and to ensure that they receive services to the standard and quality to which they are entitled. Therefore, in accordance with Chapter 1 Clause 19.1 of the Management Agreement, I hereby serve notice that the Management Agreement will terminate with effect from 31st April 2017.

I will be in contact with you shortly to discuss the future management of Withy House.

Yours sincerely



John Coker
Strategic Housing - Acting Divisional Manager
Regeneration & ALMO Client Management

Appendix 3

NOTICE OF DISPUTE NO. 2

This Notice of Dispute is served by Withy House Management Board Limited, ("the TMO"), on Tower Hamlets London Borough Council ("the Council") pursuant to Chapter 6, Clause 16 of the Agreement between the

TMO and the Council made on or about 10 July 1996, ("the Agreement"), a dispute having arisen between the TMO and the Council as to whether the TMO was entitled to serve a Notice of Dispute, ("the first Notice of Dispute"), pursuant to Chapter 6, Clause 16 of the Agreement, the Council having purported to serve on the TMO a notice purporting to terminate the Agreement under Chapter 1, Cl 19.2.5.

Nature of the Dispute

The Council contends, as set out in its letter dated 3 May 2017, but the TMO denies, that on its true construction the Agreement does not permit the TMO to serve a Notice of Dispute after the Council has served a notice which purports to terminate the Agreement. The TMO contends that, on a true construction of the Agreement, it was entitled to serve the first Notice of Dispute notwithstanding that the Council has served a notice which purports to terminate the Agreement. For the reasons set out in the first Notice of Dispute, (a copy of which is annexed hereto), the TMO denies that the said notice was either (a) validly served; and/ or (b) if validly served was effective to terminate the Agreement.

Action which the TMO requires the Council to take

The TMO requires the Council to consider the first Notice of Dispute in accordance with the provisions of Chapter 6, Clause 16 of the Agreement.

NOTICE OF DISPUTE

This Notice of Dispute is served by Withy House Management Board Limited, ("the TMO"), on Tower Hamlets London Borough Council ("the Council") pursuant to Chapter 6, Clause 16 of the Agreement between the TMO and the Council made on or about 10 July 1996, ("the Agreement"), a dispute having arisen between the TMO and the Council as to (i) whether the Council was entitled to and/or did validly serve on the TMO a Breach Notice dated 3 June 2016 pursuant to Chapter 1, Cl. 18.1 of the Agreement; and (ii) whether the Council validly served on the TMO a notice dated 4 January 2017 purporting to terminate the Agreement under Chapter 1, Cl. 19.2.5 and, if served, whether the said notice was effective to terminate the Agreement with effect from 30 April 2017.

Nature of the Dispute

- (1) The Council contends, but the TMO denies, that the Council validly served a Breach Notice dated 3 June 2016 under Chapter 1, Cl. 18.1, ("the Breach Notice"), on the TMO. Chapter 6, Cl. 9.4 of the Agreement requires inter alia that any notice which the Council sends to the TMO under the terms of the agreement "shall be sent to the Secretary of the TMO at the TMO's Registered Office." The Breach Notice was not sent to the Secretary of the TMO.
- (2) Further or alternatively, the Council contends that the TMO was in breach of the Agreement as set out in the Breach Notice. The TMO does not admit the alleged breaches and the Council is put to strict proof in respect thereof.
- (3) Further or alternatively, the Council contends, but the TMO denies, that the Council validly served on the TMO a Notice dated 4 January 2017 under Chapter 1, Cl. 19.2.5 purporting to terminate the Agreement ("the Termination Notice") . Chapter 6, Cl 9.1.a of the Agreement requires that any notice served by the Council under Chapter 1, Cl. 19 "shall . . . be sent by recorded delivery post

to . . . the TMO's registered office." The Termination Notice was not sent to the TMO by recorded delivery post to the TMO's registered office.

(4) Further or alternatively, the Council contends, but the TMO denies, that the Termination Notice validly determined the Agreement in that (a) it failed to set out in respect of each of the alleged breaches in the Breach Notice whether it was alleged that the TMO had either failed to remedy the breach alternatively had failed to initiate the necessary action to remedy the breach to the reasonable satisfaction of the Council; and/or (b) the Council could not be reasonably satisfied on the date of the expiry of the Termination Notice that the TMO had failed to initiate the necessary action to remedy such breach of the Agreement as the Council can establish. The TMO has established a mentoring scheme with Leathermarket JMB, a large successful tenant management organisation, which will offer training, advice and support to the TMO. The TMO has also sought and received support and assistance from another in the Council's area. The TMO has sought advice from and attended a meeting with the Chair of the National Federation of Tenant Management Organisations, ("NFTMO"), and has applied to join NFTMO in order to avail itself of the training, support and other resources available from NFTMO to tenant management organisations; furthermore the TMO will carry out a good governance healthcheck and apply for a Good Governance NFTMO kitemark. In addition, the Council has failed to have regard to the following further steps taken by the TMO by virtue of which the TMO has initiated the necessary action to remedy any breach of the Agreement:

(a) Breach 1 (Chapter 1, Cl. 10): the TMO has established a comprehensive programme of training and information to members, committee members and staff

(b) Breach 2 (Chapter 1, Cl. 16.2): the TMO relied on Tower Hamlets Homes' representation that it would signal the need for a five year

ballot at the appropriate time. In any event the TMO held a ballot in January 2017 and has diarised the dates of future ballots;

- (c) Breach 3 (Chapter 3, Repairs and Maintenance): the TMO has established an Approved Contractors' procedure and submitted copies of contractor's insurance certificates. A sub-committee has been established and repairs matters are regularly reported to the Management Committee and General Meetings of the TMO.
 - (d) Breach 4 (Chapter 3, Cl. 2.1 and Appendix 2- Rents and Arrears): the TMO's obligation under the Agreement is to seek to prevent rent arrears becoming a serious issue. The TMO has initiated training whose object is to assist it in dealing with rent arrears and has established a Rent Arrears Sub-Committee and regular reporting on rent arrears to the Management: Committee. In breach of its obligations under Chapter 6, Cl. 8, the Council failed to respond to the TMO's request for training on rent arrears and a mentor to advise on finance and arrears issues. The level of arrears is monitored and appropriate action, including the institution of possession proceedings, is taken.
 - (e) Breach 5 (Chapter 4, CL 5 and Chapter 4, Appendix 2, Financial Management). The TMO has established a Finance Sub-Committee and has regularly reported financial issues including budget setting to the Management Committee. The deficit of £11,402 at 31 March 2015 does not indicate the absence of an effective account management system or deficiencies in financial management. The Management Committee is aware of and has taken action to address the deficit.
 - (f) Breach 6 (Chapter 6, Annexe A, staffing and employment, grievance procedure, contract of employment and staff supervision): the TMO is establishing staff supervision procedures. The TMO Manager has a job description. The TMO is committed to following its recruitment policy and disciplinary procedures including its grievance procedure.
- (5) Further or alternatively, the TMO contends but the Council denies, that the TMO having served a counter-notice within the meaning of

Chapter 1, CI 19.2.5 alleging that any breach of the Agreement was minor and did not in itself or considered with previous breaches constitute sufficient reason for ending the Agreement, the Council failed to give any proper reasoned consideration to withdrawing the Termination Notice.

Action which the TMO requires the Council to take

The TMO requires the Council to withdraw the Termination Notice.

Devonshires Solicitors
DX:33856 Finsbury Square

Governance Directorate
Legal Services

Mulberry Place
5 Clove Crescent
London
E14 2BG

Tel: **020 7364 4446**

Fax: **020 7364 4804/4861**

Email:

Amma.Boateng@towerhamlets.gov.uk

DX: Tower Hamlets Legal Department

DX: 42656 Isle of Dogs

www.towerhamlets.gov.uk

28 July 2017

Our Ref: TOWHH.1866/AB
Your Ref: SZD\WIT7\1\11041164

Dear Sirs

Re: WITHY HOUSE TMO - RESPONSE TO DISPUTE NOTICE

We write further to your letter dated 22 June 2017 and agreement to extend time to 31 July 2017.

In relation to the points raised in your Notice of Disputes our client responds as follows.

Notice of Dispute

(1) Breach Notice Validly Served

The Breach Notice dated 3 June 2016 was served by way of letter addressed to the Management Committee by hand to Nancy Hunt of Withy TMO at the TMO's registered office as well as by email on 3 June to Withy TMO's email address with the Secretary to the TMO Sue Rothern copied in.

Clause 9.3 only specifies that notices 'may' be served by post – they can therefore also be served by hand and by email. Where they are sent by hand or by email there are no specifications as to who they must be served on. In this case the email was

sent to Ms Rothern, Secretary to the TMO. Further, in so far as the Notice was also served by letter addressed to the Management Committee, the Secretary to the TMO is part of the Management Committee and thus the Notice was sent to her. As such our client considers that there has been strict compliance with clauses 9.2 and 9.4 Chapter 6.

Further, if, which is not accepted, there has not been strict compliance, there has been substantial compliance sufficient to render the Breach Notice validly served. Your client will be well aware that when considering whether the Breach Notice has been validly served the arbitrator will consider whether each and every specific requirement is an indispensable condition which renders the notice ineffective in the absence of full compliance, using a commercially sensible interpretation, to consider whether there has been substantial compliance including whether the Notice was sufficient clear and any prejudice has been caused to your client.

Our client considers that the Notice was validly served: (a) any non-compliance was extremely minor; (b) communication by email is an extremely common commercial business practice; (c) the Breach Notice and accompanying email was extremely clear; and (d) your client suffered no prejudice – on 6 June 2016 Ms Rothern wrote to our client to acknowledge receipt of the Breach Notice on 3 June 2016 and assuring that Withy TMO would give the breach points raised their most urgent attention.

(2) Breach of the Agreement as Set out in the Breach Notice

Our client is very surprised that your client does not admit breaches given your client's previous attempts to try and (unsuccessfully) rectify the issues raised in the Breach Notice, its failure to challenge the accuracy of the audit report and its failure to previously assert that it was not in breach of the Agreement. Indeed, your client informed our client that it had 'studied that attached draft Audit Report and were working hard to address your concerns'. Had there been a real issue relating to breach our client would have expected this to be raised contemporaneously. On the contrary, that letter, when dealing with the specific breaches, accepted that there had been breaches of the Agreement.

In any event our client will rely, inter alia, on the Internal Audit report dated May 2016, your client's responses including those set out in the letter of 24 June 2016, and the minutes and discussions of the meeting of 2 November 2016 to establish the breaches of the agreement. It is satisfied that there is more than sufficient evidence to establish breach.

(3) Termination Notice Validly Served

The Termination Notice dated 4 January 2017 was served by way of letter addressed to the Management Committee at your client's registered office address and delivered there by hand. It was also served by email to your client's email address.

Our client repeats the observations made above relating to substantial compliance. It considers that the Termination Notice was validly served as: (a) any non-compliance was extremely minor; (b) communication by email is an extremely common commercial business practice; (c) delivery by hand to the registered office is a more effective way of assuring that the Termination Notice is safely received than registered delivery; (d) the Termination Notice was very clear; and (e) your client suffered no prejudice – it received the Notice promptly, was aware of the serious nature of the Termination Notice and was able to promptly seek legal advice as shown by your letter dated 28 February 2017.

(4) Termination Notice Determined the Agreement

Clause 19.2.5 Chapter states that, 'upon expiry of 3 months written notice given to the TMO'. There is nothing in this clause that requires our client to set out in the Termination Notice itself that your client had failed to remedy the breach or initiate the necessary action to remedy the breach to the reasonable satisfaction of our client. All that is required is 3 months written notice. This was given.

In any event, as set out in some detail in our client's response dated 28 April 2017 to your client's judicial review letter before claim, the Termination Notice clearly alleged, in the conclusion section of that letter, that, 'the Council is not satisfied that the TMO has satisfactorily initiated the necessary action to remedy the breaches detailed above in the necessary timescale, or is likely to do so in the future...'. The reference to 'the breaches detailed above' where a reference to all six breaches detailed on the first and second page of that letter.

Clause 19.2.5 Chapter 1 provides that the agreement ends on expiry of the three months. The relevance of the failure to remedy the breach initiate the necessary action is to the time before the service of the termination notice. Once the notice is served, save for ability of the TMO to serve a counter notice and for the Council to withdraw the termination notice pursuant to its reasoned consideration, the termination notices takes effect on the effluxion of time.

Our client is again surprised at your current interpretation of clause 19.2.5 suggesting that the relevant date is the date of the expiry of the termination notice. This is because your client set out in significant detail, in its letter dated 22 March 2017, that the clear, natural and ordinary meaning of the clause was that the breach or failure to initiate the necessary action had to be extant at the date the notice was served. Our client agrees that that is the clear, natural and ordinary meaning of this part of the clause.

Further, our client's letter of the 4 April 2017 made clear why it was satisfied that there was either a breach and/or no necessary action had been initiated.

In relation to the alleged mentoring arrangement your client has advised has been established with the Leathermarket JMB, it is understood that your client has not pursued this past an initial enquiry through yourselves. With regard to your client's alleged contact with the Chair of the National Federation of Tenancy Management Orgainsation (NFTMO) our client is reliably informed that achieving the NFTMO Kite

mark is a detailed process requiring numerous procedures to be in place which should also have been in operation for some time before the Kite mark could be achieved.

(5) Consideration of Counter Notice

On service of your client's Counter Notice dated 22 March 2017 our client gave reasoned consideration to withdrawing the notice as required by clause 19.2.5 Chapter 1. This is evidenced by our client's letter of 4 April 2017 which set out in detail its decision and the reasons for it. Your client has produced no evidence to suggest otherwise.

As a result of the above our client will not be withdrawing the Termination Notice.

Notice of Dispute No. 2

Our client maintains its view that clause 16 chapter 6 does not permit a Notice of Dispute to be served once a Notice of Termination has been served. However, it confirms that it will apply and abide by clauses 16.4-16.6 Chapter 6 on a pragmatic basis in order to effectively reach a resolution on these issues.

As a result of the above our client has considered the first Notice of Dispute in accordance with the provisions of clause 16.5 Chapter 6.

Yours faithfully,

Amma Boateng

Senior Housing Lawyer

On behalf of the Acting Corporate Director Governance & Interim Monitoring Officer



FAO Amma Boateng

Our Ref: RYB\WIT7\1\11615184
Your Ref: TOWHH.1866/AB

London Borough of Tower Hamlets

Governance Directorate
Legal Services
Mulberry Place
5 Clove Crescent
London
E14 2BG

BY EMAIL INITIALLY:
amma.boateng@towerhamlets.gov.uk

16 August 2017

Dear Sirs,

Re: Withy House TMO

We write further to your letter dated 9 August 2017.

We have taken our client's instructions on the contents of your letter of 28 July 2017 and can confirm that our client is not satisfied with your response.

Firstly, we do not accept your comments about service of the Termination Notice and we do not agree that substantial compliance is sufficient for a notice such as this. There is clear case law that establishes that with a notice such as this which purports to terminate an agreement, complete fulfilment is required. The Management Agreement is clear that service of a Termination Notice under Chapter 1 Clause 19 must be served on our client by recorded delivery and it is clear from your response that this did not happen. As a result, we consider that the Notice is invalid.

Secondly, we continue to believe that there were not any breaches of the Agreement at the time of service of the breach notice, and in the event that any breaches are established, they were remedied within the time period given, or that necessary action had been initiated to remedy any breach. Our client is not satisfied as to your previous responses in relation to this.

We, therefore, write to request that the dispute is considered at the next meeting of the Council's Housing Committee under Clause 16.5 of the Management Agreement. Please advise when the next meeting will take place.

30 Finsbury Circus, London EC2M 7DT
Tel 020 7 628 7576 Fax 0870 608 9390 DX 33856 Finsbury Square
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**SUBMISSION TO THE MAYOR IN CABINET OF THE COUNCIL OF THE
LONDON BOROUGH OF TOWER HAMLETS ON BEHALF OF WITHY
HOUSE TENANT MANAGEMENT ORGANISATION**

Introduction

1. The Council is considering whether to uphold a decision of officers to terminate a Management Agreement made on 10 July 1996 between it and the Withy House Management Board Limited, a Tenant Management Organisation. As the officers' report makes clear Withy House is a small TMO comprising a single block of 80 flats. Under the Management Agreement the Council appointed the TMO to carry out cleaning, caretaking and grounds maintenance, day to day repairs, rent collection and arrears control. (Under the Agreement the TMO is liable to and has remitted to the Council in full all the rent due from tenants and long lessees whether paid or not.) In order to carry out its responsibilities under the Agreement it employs one caretaker and a part-time manager.

2. These Submissions do not address the highly technical legal arguments which are likely to arise in the event that the Council decides to terminate the Agreement. Withy House has no desire to proceed to an arbitration which will necessarily involve further delay and escalating lawyers' fees on both sides. Accordingly, these Submissions concentrate not on whether the Council was technically entitled to and did terminate the Agreement; but rather on the issue whether the Council *should* rather than *could* terminate the Agreement. For this reason the TMO does not accept (as appears to be suggested at paragraph 1 of the Recommendation to the Mayor in Cabinet) that recourse to arbitration is a satisfactory alternative to a review by the Mayor in Cabinet.

3. A TMO empowers its tenants and promotes a shared sense of community by giving locally-based tenants responsibility for important aspects of the management of their homes. Governments of all political parties have supported the development of TMOs since the 1980s and continue to do so.

4. A small TMO like Withy House necessarily relies on the involvement of volunteers. Although the officers criticise a number of technical failings on the part of the TMO, (in some cases fairly), significantly it retains a high level of support among tenants at Withy House. A recent petition asking the Council to support the TMO and not to terminate the Agreement was signed by a majority of the tenants; and in an independently supervised ballot in January 2017 of the 41 votes case the vast majority (37) voted in favour of the TMO continuing to run Withy House. (In both cases a turnout that compares favourably to the turnout in both the 2014 local elections and the Mayoral Election). The importance of the voices of social housing tenants being heard was recently acknowledged by the Prime Minister in her Channel 4 interview on 3 October 2017 following the Grenfell tragedy, and in the recent calls for the re-establishment of the National Tenant Voice. Removing the management of Withy House from the TMO would constitute a calculated failure to listen to the voices of the social tenants and long lessees who live there.

Context

5. Under the Agreement the Council is required to monitor and support the TMO in the performance of its obligations. Thus provision is made for the Council (and the TMO) to annually review each other's performance. The Council failed to carry out annual reviews which would have alerted the TMO to any concerns which the Council had before they reached the stage where the Council is considering

terminating the Agreement. The Agreement also makes provision that not less than once every 5 years or more frequently than once every 2 years, the Council is required to monitor the total performance by the TMO of its responsibilities under the Agreement and to produce a monitoring report identifying deficiencies in the performance of the TMO and make positive recommendations as to the steps which the TMO needs to take to rectify any deficiencies.

6. In about 2014 the Council carried out a monitoring review which found no deficiencies save for a minor matter concerning saving copies of signed cheques which the Council considered to be unwise (and which the TMO acted on).

7. Some of the failings which the Council identified in its May 2016 audit would have existed in 2014 but they were not identified as such, (far less advanced as a reason to terminate the Agreement). As a result the TMO should have been, but was not, alerted to the fact that the Council regarded some of the deficiencies which it claims to have found in May 2016 as serious.

8. There is a further issue here. Under its own agreement with the Council Tower Hamlets Homes is required to support the Council's TMOs. This reflects the Council's own obligation under the Agreement to support the TMO. This support is particularly important in the case of smaller TMOs who lack the resources to fund their own specialist support and advice. Prior to the May 2016 audit, THH failed to advise and support Withy House, (although it is acknowledged that more recently with the appointment of Mr Lee Page, the position has substantially improved). One obvious example of that failure is that THH undertook to remind TMOs in good time that it was necessary under the Agreement for a ballot to be held once every five years on the issue of whether the Agreement

should continue. That sort of detail is easily overlooked when volunteer members of the TMO are confronted with an Agreement running to more than 200 closely typed pages. THH failed to honour that undertaking. Withy House notes these criticisms of THH are consistent with the findings of the last Audit Commission report (2011) on THH before that body was abolished, where the Commission concluded that, notwithstanding that many other aspects of THH's performance were at least satisfactory, THH does not support the Council's TMOs well.

9. This lack of support is particularly unfortunate in the circumstances of this case: in 2015 the long standing Chair of the TMO unfortunately passed away. For many years she had been closely involved in the running of the TMO (both on and off the Committee) and had been very closely involved in its day to day operation. Her passing was a great loss to the TMO who had, with the benefit of hindsight, unwisely relied on her too heavily. When her inexperienced successor contacted THH for assistance in getting to grips with her new responsibilities, the response was not to offer support and advice (as required under the Agreement) but instead to hold "a number of meetings and discussions within THH/London Borough of Tower Hamlets", (see paragraph 3.1 of the officers' report), before carrying out an internal audit.

10. Before turning to the detail of the failings identified by the internal audit, the TMO would make one further general point: it is almost always possible to identify organisational shortcomings when an organisation is subjected to the type of comprehensive thorough-going audit of the type undertaken in this case. If it were necessary to demonstrate that, KPMG LLP's own audit of the Council shows that. It is always possible to find fault. The question is whether in all the circumstances it is proportionate and fair, having regard to the history as set out above and importance of listening to the voices of its tenants, for the Council to terminate the Agreement.

The alleged breaches

11. (i) training:

The Agreement requires the TMO is required to provide *access to* training for members and staff, in other words to make available the opportunity for training of any member or employee who wants it. To the extent that it was in breach of that requirement, (and the TMO contends that any member or employee who requested training would have had access to it), that breach has been remedied. The TMO has taken active steps to institute a programme of training, (independently of THH, which failed to respond to a request dated 16 September 2016 from the TMO for training), and actively encouraged members and employees to undertake it. Since September 2016 fourteen (14) training/mentoring sessions have been held, all of which were well-attended. The TMO has also actively pursued mentoring opportunities with other TMOs.

A Schedule detailing training in scheduled and undertaken in 2016 and 2017 is attached.

In its letter dated 4 April 2017 the Council objected to this programme of training on the basis that (a) it was unaware how the training was procured and (b) what the intended outcomes were. As to the latter the TMO contends that it is glaringly obvious that the intended outcome of the training was to improve the knowledge and skill-set of all those attending in the subject matter of the training. As to the former the TMO contends, (assuming that this is a relevant question at all), that it is equally obvious that the training was procured as a result of discussions with other TMOs and its legal advisers.

(ii) five year ballot.

A ballot was held in 2009 and the result was strongly in favour of the Agreement remaining in force. The TMO accepts that it failed to hold another ballot within 5 years but that was as a result, at least in part, of THH's failure, (contrary to its undertaking), to remind it to do so. This is part of the support which the TMO is reasonably entitled to expect from THH/the Council. A ballot was held in January 2017 in which 41 votes were cast of which 37 were in favour of the TMO continuing to run Withy House. Unfortunately only one ballot paper per household rather than one ballot paper to each tenant/long lessee was issued. The TMO will hold another ballot in order to remedy this technical defect, (although it is only fair to point out that this unintentional oversight only affected a maximum of 20 tenants, and given the numbers voting in favour of the TMO continuing to manage Withy House, would not have affected the overall outcome and furthermore this issue was not identified at the time by the Council in the course of extensive discussions about the conduct of the ballot).

(iii) failure to maintain an approved contractor's procedure, retain insurance certificates and report to a board or general meeting:

This related in part to the expiry of one contractor's insurance and gas safety certificates.

There is now an approved contractor's application, agreement (including appendix) in place and a system for checking and holding insurance and gas certificates. The relevant documents are available on request.

(iv) failure to take prompt action to recover rent arrears and establish a rent arrears sub-committee.

There is now a committee that deals with rent arrears and active steps have been taken to recover arrears. Over the period 2015-2017 the mean percentage of rent collected has exceeded 102%. It should be noted that under the Agreement the TMO is required to

and does account fully to the Council in respect of rent recoverable whether it is in fact recovered or not. Furthermore delays (on the part of the Council), in getting cases to court and in evicting defaulters (if necessary) is a significant factor in the accrual of rent arrears. At the end of 2016/17 the Council accepted that it was responsible for some £28,000 of rent arrears. The TMO has reviewed and updated its Rent Arrears Policy and Procedure.

The relevant documents are available on request.

- (v) failure to establish a finance sub-committee, to keep the Board informed and to involve it in budget setting and to maintain an effective account management system.

This has now been addressed. Insofar as the Council expresses concern about financial deficits it is important to bear in mind that the Council has been substantially underpaying the TMO's allowances between 2012/3 and 2016/17. The Council's breach notice alleges that the accounts show a deficit of £11,402 as at 31 March 2015. That sum is less than the amount that the Council owes the TMO as a result of the underpayment of its allowances since 2012/13. In any event it is not accepted that the accounts show a deficit. The TMO's net current assets at 31 March 2015 were £26,655.00.

- (vi) staffing and employment – failure to follow recruitment and disciplinary procedures, to provide a job description and written contract of employment for the TMO manager, no staff supervision procedures in place.

This is being addressed. The TMO has reviewed and up-dated its Recruitment Policy, Disciplinary Procedure and Standard Terms and Conditions for Staff. There is a job description for the Manager. These documents are available on request. The TMO is reviewing

the contractual position of its Manager with appropriate specialist advice.

Financial matters

12. It is relevant to note that in 2012/13 the TMO was notified that it was entitled to an allowance of £86,919 per annum (and more recently the TMO has been notified that in respect of 2017/18, an allowance of £98,072.85 was due and has been paid). However in respect of the years 2012/13 to 2016/17, the Council contended that it would not pay an allowance greater than £81,063.59 unless the TMO signed a new management agreement. In early 2016 the TMO had nearly finalised an agreement with the Council as to the new management agreement but the Council employee conducting the negotiations, (Nancy Hunt), left the Council's employ and since that time the discussions have been in limbo through the lack of an officer on the Council's side to carry them on. However, with very limited differences, the calculation of the allowances under the Agreement and under the proposed new management agreement are the same. The Council was not entitled to withhold allowances due to the TMO because the TMO declines to sign a new form of management agreement. It follows that since 2012/13 there has been a shortfall in the allowances between those due to and those paid to the TMO. The TMO calculates that that shortfall equates to a sum in excess of £50,000. This shortfall has been a further factor in any failure on the part of the TMO to purchase the expertise necessary to ensure that its procedures meet the exacting standards which the Council now insists on.

13. Going Forward

The TMO has put in place a Five Year Plan Overview proactively identifying issues which it intends to address in the medium term and is working on producing a detailed and comprehensive Five Year

Plan, (in collaboration with Mr Page), which will underpin its work over the next five years.

14. The TMO remains in dialogue with the Council's TMO Liaison Officer, Mr Page, with a view to further improving its policies, procedures and practices and is committed to doing so.

Conclusion

15. The TMO believes that it has made substantial progress since the service of the Breach Notice. Substantial numbers of new volunteers have come forward and demonstrated their commitment by attending training sessions and becoming actively involved in the work of the TMO. The TMO has taken on-board and acted on the advice and support which it has, (albeit only since the service of the Breach Notice), received from the recently appointed TMO Liaison Officer. It has reviewed and updated its policies. Importantly the TMO evidently retains the support of the majority of the tenants and long leaseholders at Withy House. The Council need have no concern that the TMO will not continue to further update and improve its practices but any concern that the Council does have can be met by reviewing the question of the termination of the Agreement in, say, 12 months time.
16. **The TMO accordingly invites the Council either to decline to terminate the Agreement; alternatively to postpone a decision on whether to terminate the Agreement for 12 months and to re-consider the position at that time in the light of the then circumstances.**

The Management Committee

Withy House TMO.

7 December 2017

**SUBMISSION TO THE MAYOR IN CABINET OF THE COUNCIL OF THE
LONDON BOROUGH OF TOWER HAMLETS ON BEHALF OF WITHY
HOUSE TENANT MANAGEMENT ORGANISATION**

Devonshires

Ref: RB

**Withy House TMO Training Schedule 2016-18:
Already completed with Greg Robbins 2016**

Date Scheduled	Title	Cost	Attendees	Checked date and signed	Overview of Training
26/9/2016	#1 Introduction to TMO Governance	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson Tom Herbert	26/9/2016	a) Relationship of rules, policies, management agreement b) Committees/working groups c) Roles of officers
3/10/2016	#2 Committee Skills	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson Tom Herbert	3/10/2016	a) Preparing for meetings – expectations b) Helping to ensure smooth running meetings and working with the chair c) How to ensure that a view is heard without dominating d) Reaching decisions and pursuing actions, including those between meetings e) Responsibilities of committee members
17/10/2016	#3 Keeping Your Co-op Financially Safe	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson	17/10/2016	a) Sound procedures b) Approval of Expenditure c) Annual budget, monitoring, accounts, auditors
24/10/2016	#4 Maintenance	£200	Sue Rothern	24/10/2016	a) Which repairs will be carried out

			(Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson		b) Who decides/actions c) Void inspections d) Value for money
31/10/2016	#5 Allocations	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson Tom Herbert	31/10/2016	a) How Choice Based Lettings works with the co-op b) Interviews – agreed questions c) Internal transfers d) Sharing information with the authority
Date Scheduled	Title	Cost	Attendees	Checked date and signed	Overview of Training
7/11/2016	#6 Charing Meetings – Greg Robbins	£200	Jane Stewart (Chair) Anna Collins Sue Rawlinson Barry Boardman	7/11/16	Being Clear what is on the agenda and what must be decided. Ensuring that all can contribute without one person dominating. Listening more than speaking so as to summarise the view of the meeting.
21/11/2016	#7 Taking minutes at meetings	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman Sue Rawlinson	21/11/16	Providing a record. What is recorded? Showing how to layout minutes efficiently. What to leave out.
28/11/2016	#8 Arrears Action	£200	Sue Rothern (Secretary) Jane Stewart (Chair) Barry Boardman	28/11/16	Following Co-op Policy on Rent Arrears. Understanding impact of rent arrears on Co-op finances. Ways of working with tenants in arrears and support. Understanding LBTH legal action/

			Sue Rawlinson		
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Training 2017/8

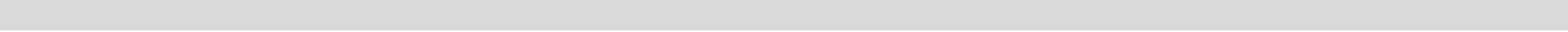
Date Scheduled	Title	Subcommittee	Cost	Attendees	Checked date and signed	Overview of Training
21/6/17	Arrears Actions and Setting up rent surgeries	Tom Herbert and James Cross	£200.00	Jane Stewart (Chair) Sue Rethon (Secretary) James Cross (rent arrears sub-committee) Tom Herbert (rent arrears sub-committee) Barry Boardman (repairs sub-committee) Zoe Williams (Administrator) Greg Robbins	21/6/17	Arrears and rents managing session with Greg Robbins. This included setting up rents surgeries.

Date Scheduled	Title	Subcommittee	Cost	Attendees	Checked date and signed	Overview of Training
28/6/17	Financial Management and Procedure	Tom Herbert and James Cross	£200.00	Jane Stewart (Chair) James Cross (rent arrears sub-committee) Tom Herbert (rent arrears sub-committee) Barry Boardman (repairs sub-committee) Zoe Williams (Administrator) Greg Robbins Trainer	28/6/17	Financial Management Training and Procedure for TMO's with Greg Robbins.
26/9/17	Tackling Anti-Social Behaviour in Social Housing Seminar (Devonshires)	Zoe Williams	Free	Zoe Williams and Jane Stewart	29/9/17	Free Seminar at Devonshire's Solicitors tackling with ASB procedure and any follow up help needed.
5/10/2017	Mentoring Session with 'David Nkrumah-Buansi' Manager from Wenlock Barn. At October	All members	Free	Jane Stewart (Chair) Tom Herbert (rent arrears sub-committee) Barry Boardman	5/10/17	Initial meeting with TMO Manager David Nkrumah-Buansi. He talked about the governance structure of their TMO and the issues they have had in the past.

	MC			(repairs sub-committee) Zoe Williams (Administrator) David Lucas (Local TMO)		Will set up further sessions with him TBC a date in January
11/10/2017 & 12/10/2017	Financial Management in Community Businesses – Liz Michael	All members	invoice d	Jane Stewart (Chair) Barry Boardman (repairs sub-committee) Sue Rethon (repairs sub-committee) Zoe Williams (Administrator) David Lucas (Local TMO) Alyssa Stanhope (committee) Liz Michael (Trainer)	11 & 12 / 10/2017	Liz Michael Management session which touched on Good governance, risk management, understanding accounts. Run over 2 evenings.
29/11/17	Policy review with Greg Robbins	Zoe Williams	To be Invoice d	Zoe Williams Greg Robbins	29/11/2017	Meeting between Zoe Williams the Housing Officer and Greg Robbins to review current policies and discuss the Council Breaches.

Date Scheduled	Title	Subcommittee	Cost	Attendees	Checked date and signed	Overview of Training
November and December 2017 – Ongoing	Seeking support and Liaison with Mr Danny Howcroft, Estate Director for Blenheim Gardens RMO. Also Delwayk Gardens TMO, Herne Hill	Zoe Williams	N/A	Zoe Williams		Mentoring advice on policies and governance that will be ongoing between Withy and 2 similar sized TMO's. Zoe Williams met with the Estate Manager on 1/12/17 to discuss policies and the potential of further mentoring in the future.
January 2018 (DATE TBC)	Meeting at Wenlock Barn to see the running of another successful TMO	All Members		N/A	TBC	Mentoring advice, ideas for the future running of the TMO.
February 9 th 2018	'Governance Training for Board members' by Liz Michael	All Members	£2535	N/A	TBC	Advanced training session on Good Governance run in 4 parts: <ol style="list-style-type: none"> 1. Good Governance Organisational responsibilities. 2. Good Governance Organisational

						<p>responsibilities. CNTN.</p> <ol style="list-style-type: none">3. Board Members responsibilities.4. Preparing for the Future.
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Democratic Services,
 Tower Hamlets Council
 1st Floor, Town Hall
 Mulberry Place
 London E14 2BG
committee.services@towerhamlets.gov.uk
 020 7364 4207

Petition to Tower Hamlets Council

Dear Democratic Services, please find attached a petition relating to Withy House Tenants Management Organisation for your attention. The petition statement, which explains what action we would like the Council to take, and the names, addresses and signature of each person supporting the petition, can be found on the attached pages.

Details of petition organiser

Name: Sue Rothern, Secretary of Withy House TMO	Address: Withy House TMO Office WITHY HOUSE TMO GLOBE RD, LONDON E1 4AJ.
Email: [REDACTED]	Telephone No: [REDACTED]

Tick this box if you are also running a linked petition on the Council's website at www.towerhamlets.gov.uk/petition

I believe this petition contains⁴³...signatures;

Preferred response: I would like (tick one ONLY):	
For this petition to be referred to a senior Council officer who will arrange for a response to be sent within 28 days of receipt by the Council;	
To present this petition in person at a future meeting of the Council or relevant committee <i>[if the petition includes at least 30 signatures]</i>	<input checked="" type="checkbox"/>
For the Council's Overview and Scrutiny Committee to consider the matter <i>[if the petition includes at least 1,000 signatures]</i>	
For this petition to be debated by Councillors at a future meeting of the Council <i>[if the petition includes at least 2,000 signatures]</i>	

(note to petition organiser – please complete this cover page in full and print one copy. Please complete and then print as many copies of the following signature sheet as you feel necessary. All signature sheets must also include the petition statement. Combine all pages and return to the address above.)

Please complete each row in full in BLOCK CAPITALS (individuals signing this petition must be persons living, working or studying in the London Borough of Tower Hamlets).

FULL NAME	ADDRESS INC. POSTCODE	SIGNATURE
MENE DIGNOM		
Peter Dignun		
Shirley		
Sabina Yeasmin		
A W FOR ULLAM		
Shamsun		
M BHUIYAN		
ANTONIO ANDREA BILLO		
JAMES BANNISTER		
Janelle Appard		
Romy Pains		
Susan Rothon		
OLIVER GONZALEZ		
Amrana Begum		
JAMES CROSS		

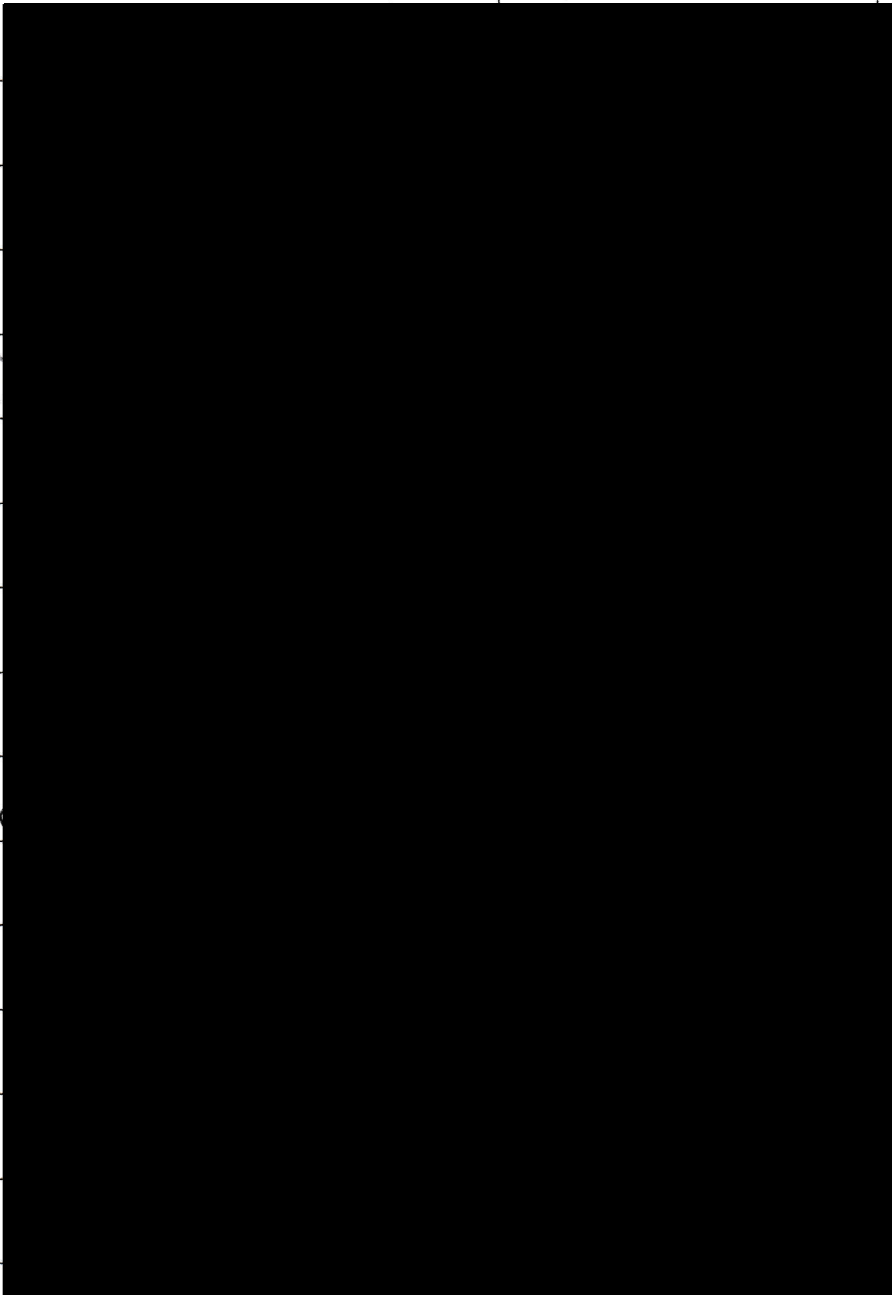
22

We the undersigned residents of Withy House Tenants Management Organisation petition the Council to support keeping the Management of Withy House with the Tenants Management Organisation and vote against any decision by the council to terminate the Management Agreement.

Please complete each row in full in BLOCK CAPITALS (individuals signing this petition must be persons living, working or studying in the London Borough of Tower Hamlets).

FULL NAME	ADDRESS INC. POSTCODE	SIGNATURE
Miththosen G.		
GRACIE MYLES		
N. NESSA		
Isaac Goumpis		
ABUZ KHAIR		
Yaume Kandji		
J Stewart		
T Herbert		
Nazim Hoque		
Ayan Mohamed		
Taslimy Nur		
Abu Bakar MD Siddiq		
Rubi Khanom		
Rukshana Begum		
Nelson Wan		

We the undersigned residents of Withy House Tenants Management Organisation petition the Council to support keeping the Management of Withy House with the Tenants Management Organisation and vote against any decision by the council to terminate the Management Agreement.

Please complete each row in full in BLOCK CAPITALS (individuals signing this petition must be persons living, working or studying in the London Borough of Tower Hamlets).		
FULL NAME	ADDRESS INC. POSTCODE	SIGNATURE
BABY ISAROMAN RAZIA BEGUM		
NILUFA AKTAR		
Fahid Quasim		
Mai NGUYEN TRI		
Yaregal Demisse		
M. Ghami		
M. Dadd		
K. Begum		
M.D.A. Samar		
Shirley		
S. Begum		

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<p>Cabinet</p> <p>19 December 2017</p>	
<p>Report of: Denise Radley, Corporate Director, Health, Adults & Community</p>	<p>Classification: Unrestricted</p>
<p>Better Care Fund 2017-19 - Section 75 agreement</p>	

Lead Member	Councillor Denise Jones, Cabinet Member for Health & Adult Services
Originating Officer(s)	Steve Tennison, Senior Strategy, Policy and Performance Officer – Integration Lead
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A Healthy and Supportive Community

Executive Summary

The proposed Better Care Fund programme for 2017-19 was endorsed by the Health and Wellbeing Board (HWBB) on 5 September 2017, prior to its submission to NHS England (NHSE). The latter has now approved the borough’s BCF Plan. This means that the borough is authorised to spend the BCF resources allocated to it.

It is a condition of receipt of Better Care Fund resources that there should be a joint agreement between the Council and the CCG under Section 75 of the NHS Act 2006 on how the money will be spent and the arrangements for its governance. Following formal NHSE approval, CCG funding agreed within BCF plans must be transferred into one or more pooled funds established under the 2006 Act. The Mayor in Cabinet is therefore recommended to agree to the Council entering into a joint agreement with Tower Hamlets Clinical Commissioning Group (CCG), under Section 75 of the NHS Act 2006, to give formal effect to the Better Care Fund Plan and programme.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to the Council entering into a joint agreement with Tower Hamlets Clinical Commissioning Group (CCG), under Section 75 of the NHS Act 2006, to give formal effect to the Better Care Fund Plan and programme.
2. Approve the draft section 75 agreement attached as Appendix 1 and agree that any final amendments to the s75 agreement should be delegated to the Corporate Director, Health, Adults & Community, following consultation with the Corporate Director, Governance and Monitoring Officer.

1. REASONS FOR THE DECISIONS

- 1.1 It is a condition of receipt of Better Care Fund resources that there should be a joint agreement between the Council and the CCG under Section 75 of the NHS Act 2006 on how the money will be spent and the arrangements for its governance.

2. ALTERNATIVE OPTIONS

- 2.1 N/A

3. DETAILS OF REPORT

- 3.1 The aim of the Better Care Fund (BCF) is to deliver better outcomes and secure greater efficiency in health and social care services through increased integration of provision. To receive BCF funding, a local BCF plan and programme needs to be agreed jointly by the council and the CCG, endorsed by the Health and Well-Being Board (HWBB) and finally approved by NHS England (NHSE). The jointly agreed programme then needs to be incorporated in a formal agreement under Section 75 of the NHS Act 2006.
- 3.2 The Government intends that, by 2020, health and social care services will be more integrated across England. BCF plans set out how CCGs and local authorities are working towards fuller integration and better co-ordinated care, both via the BCF and through wider service provision.
- 3.3 BCF plans are expected to set out the local joint vision for, and approach to, integration, including how the activity in the BCF plan will complement the direction set in the Next Steps on the NHS Five Year Forward View. Plans are also expected to take into account the wider context, including the development of Sustainability and Transformation Partnerships (STPs); the requirements of the Care Act, 2014, and wider local government transformation in the area covered by the plan - for example, programmes, such as Integrated Personal Commissioning.
- 3.4 The HWBB agreed the borough's BCF plan for 2017-19 at its meeting on 5 September 2017, and a BCF narrative plan and template were submitted to NHS England for approval on 11 September. NHS England wrote formally approving the BCF plan on 27 October.
- 3.5 In 2016-17, Tower Hamlets' BCF programme comprised approximately £21 million of initiatives. The majority were funded via BCF resources channelled via the CCG - the so-called 'CCG minimum' funding. Disabled Facilities Grant resources allocated to the council were also pooled. In addition, the CCG provided further recurrent and non-recurrent funding from its own resources for a number of initiatives.
- 3.6 In line with the drive towards greater integration of health and social care functions, the proposed BCF plan for 2017-19 increases the value of functions

pooled via the Better Care Fund Section 75 agreement to approximately £45m in 2017-18. The main additions are the Improved Better Care Fund (a three-year grant paid to local authorities for the purposes of 'meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready, and ensuring that the local social care provider market is supported'); provision for inflation in respect of the CCG 'minimum' contribution, and the inclusion of a number of other functions - mainly, though not entirely, CCG-funded activity.

- 3.7 The government expects Section 75 agreements to have been signed by 30 November 2017. In view of the late agreement of BCF Plans by NHS England, this will not be practicable. However, the majority of the BCF programme has been running since the beginning of the financial year and the signature of the section 75 agreement formalises what has already been agreed by the HWBB. Therefore, the practical effects of the delay are minimal. The proposed agreement is attached as Appendix 1.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The proposed Better Care Fund programme for 2017-19 was endorsed by the Health and Wellbeing Board (HWBB) on 5 September 2017 and most recently by NHS England (NHSE) on 27th October 2017. This report is a request for Mayoral approval to sign a joint agreement with Tower Hamlets Clinical Commissioning Group (CCG), under Section 75 of the NHS Act 2006, to give formal effect to the Better Care Fund Plan and programme. There is also a request to agree to delegate any final amendments to the s75 agreement to the Corporate Director of Health, Adults & Community, in consultation with Corporate Director of Law, Probity and Governance.
- 4.2 The proposed BCF plan for 2017-19 increases the value of functions pooled via the Better Care Fund Section 75 agreement to approximately £45m in 2017-18. This is split by pooled funding hosted by the Council (£19.6m) and the CCG (£25.6m). The BCF funding is channelled via the CCG, whilst the Disabled Facilities Grant (£1.734m in 17/18) and the Improved Better Care funding (£8.658m in 17/18) are received by the Council.
- 4.3 It should be noted that the DFG is a capital grant with conditions. It is time limited and can only be used for specific purposes that meet capital accounting criteria. The Council has established a DFG working group who will ensure that the conditions are adhered to.
- 4.4 The 2017/19 Better Care Fund programme in place largely addresses the relevant financial/non-financial risks and the mitigating actions. However the risk share should be reviewed regularly and reflected in the allocation. Failure to review the risk may lead to extra base budget pressures for both the Council and the CCG.

5. LEGAL COMMENTS

Better Care Fund

- 5.1 The Care Act 2014 places a duty on the Council to exercise its functions by ensuring the integration of care and support provision with health provision, promote the well-being of adults in its area with needs for care and support and contribute to the prevention or delay of the development by adults in its area of needs for care and support. The 2014 Act also amended the National Health Service Act 2006 to provide the legislative basis for the Better Care Fund. It allows for the NHS Mandate to include specific requirements relating to the establishment and use of an integration fund.
- 5.2 The Government provides funding to local authorities under the Better Care Fund to integrate local services. The funding is through a pooled budget which is made available upon the Council entering into an agreement with a relevant NHS body under section 75 of the NHS Act 2006. Such agreements may be entered into where arrangements are proposed which are likely to lead to improvement in the way that prescribed NHS functions and prescribed health-related functions of the Council are exercised.
- 5.3 In order to receive the Better Care funding, the Government requires the Council to set out its plans for the application of those monies. The Government published a policy framework for the 2017-19 Integration and Better Care Fund programme in March 2017 which indicated that plans should be agreed by the Council's Health and Wellbeing Board ("**HWB**"), then signed off by the Council and CCG. The proposed Better Care Fund programme for 2017-19 was endorsed by the Health and Wellbeing Board (HWBB) on 5 September 2017 and most recently by NHS England (NHSE) on 27th October 2017.

Contracting

- 5.4 Pursuant to section 75 of the National Health Service Act 2006, the NHS Bodies and Local Authorities Partnerships Arrangements Regulations 2000, the s75 Agreement provides for the establishment of funds made up of contributions from the Council and NHS CCG out of which payments may be made towards expenditure incurred in the exercise of their functions; for the exercise by NHS CCG of the Council's functions and for the exercise by the Council of the NHS CCG's functions.
- 5.5 The s75 Agreement must be consistent with the 2017-19 Better Care Fund Plan approved by the HWB and entering into it formalises the arrangements agreed by the Council and NHS CCG in accordance with the statutory, regulatory and guidance frameworks.

Wellbeing Principle and Equalities Duties

- 5.6 The Care Act 2014 places a general duty on the Council to promote an individual's wellbeing when exercising a function under that Act. Wellbeing is

defined as including physical and mental health and emotional wellbeing and in exercising a function under the Act, the Council must have regard to the importance of preventing or delaying the development of needs for care and support or needs for support and the importance of reducing needs of either kind that already exist. The wellbeing principle should therefore inform the delivery of universal services which are provided to all people in the local population, including services provided through the Better Care Fund.

- 5.7 The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic (including age, disability, maternity and pregnancy) and those who do not.

Procurement Obligations

- 5.8 It should be noted that the section 75 agreement does not in itself satisfy either party's obligations to subject expenditure to competition as required by the Public Contract Regulations 2015 and the general treaty principles stated in the Treaty on the Operation of the European Union. The Section 75 agreement provides for the pooling of funds but when those funds are expended on goods works and or services then a procurement exercise will apply to that expenditure. Legal advice will be provided in respect of such an exercise.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Better Care Fund is concerned with better integrating health and social care services to people with a diverse range of illnesses and conditions. These include people with mental health problems, people at risk of being admitted to hospital and people able to be discharged from hospital with appropriate support. It also funds services concerned with Reablement - supporting people to learn or relearn skills necessary for daily living following ill-health or disability; the adaptation of the domestic accommodation of people with disabilities to enable them to live at home, and the training of staff in the use of assistive technology.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Better Care Fund is concerned with achieving best value in the health and social care economy, by ensuring that services are provided most appropriately across the system and that the allocation of resources supports efficiency improvements, as well as better outcomes for service users. It also seeks to reduce the historic problem of financial savings in one sector being achieved at the expense of additional costs in the other, through better joint planning and shared priorities.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 The Better Care Fund has no direct implications for the environment.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The Section 75 agreement will specify pooled funds within the BCF, commissioning arrangements and the arrangements for risk share, including how overspends and underspends will be dealt with for each pooled fund.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 The Better Care Fund is not principally concerned with crime and disorder reduction. However, several initiatives within the Improved Better Care Fund are concerned with groups at risk of offending, or community safety issues more generally. These include the establishment of a Community Multiagency Risk Assessment Case Conference (MARAC) and an independent Antisocial Behaviour Victim Advocate; a project to support people with mental health concerns who are often at risk of coming into contact with the police and another, which seeks to reduce the potential self-harm and harm to others caused by hoarders.

11. SAFEGUARDING IMPLICATIONS

11.1 A significant part of the services included in the Section 75 agreement is aimed at vulnerable people. However, there are no immediate safeguarding implications.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 - Draft Section 75 agreement

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

- NONE

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Dated DD/MM/2018

Section 75 agreement

**LONDON BOROUGH OF TOWER
HAMLETS**

and

**NHS TOWER HAMLETS CLINICAL
COMMISSIONING GROUP**

**FRAMEWORK PARTNERSHIP AGREEMENT
RELATING TO THE COMMISSIONING OF HEALTH
AND SOCIAL CARE SERVICES TO DELIVER THE
TOWER HAMLETS BETTER CARE FUND PLAN**

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THIS AGREEMENT is made on the xx day of xx 2018.

PARTIES

- (1) **LONDON BOROUGH OF TOWER HAMLETS** of the Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG (the "**Council**")
- (2) **NHS TOWER HAMLETS CLINICAL COMMISSIONING GROUP** of 2nd Floor Alderney Building, Mile End Hospital, Bancroft Road, London, E1 4DG (the "**CCG**")

BACKGROUND

- (A) The Council has responsibility for commissioning and/or providing social care services on behalf of the population of the borough of Tower Hamlets.
- (B) The CCG has the responsibility for commissioning health services pursuant to the 2006 Act in the borough of Tower Hamlets.
- (C) The Better Care Fund has been established by the Government to provide funds to local areas to support the integration of health and social care and to seek to achieve the National Conditions and Local Objectives. It is a requirement of the Better Care Fund that the CCG and the Council establish a pooled fund for this purpose. The Partners wish to extend the use of Pooled Fund to include funding streams from outside of the Better Care Fund.
- (D) Section 75 of the 2006 Act gives powers to local authorities and clinical commissioning groups to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions.
- (E) The purpose of this Agreement is to set out the terms on which the Partners have agreed to collaborate and to establish a framework through which the Partners can secure the future position of health and social care services through lead or joint commissioning arrangements. It is also the means through which the Partners will pool funds and align budgets as agreed between the Partners.
- (F) The aims and benefits of the Partners in entering in to this Agreement are to:
 - a) improve the quality and efficiency of the Services;
 - b) meet the National Conditions and Local Objectives;
 - c) make more effective use of resources through the establishment and maintenance of a pooled fund for revenue expenditure on the Services; and
 - d) support the achievement of the vision for integrated care in the borough for a health and social care Services system that:
 - i. coordinates care around the patient, delivers care in the most appropriate setting and achieves better outcomes;
 - ii. empowers patients, users and their carers;
 - iii. provides more responsive, coordinated and proactive care, including data sharing information between providers to enhance the quality of care
 - iv. ensures consistency and efficiency of care; and
 - v. contributes to improved health and wellbeing in Tower Hamlets.
- (G) The Partners have jointly carried out consultations on the proposals for this Agreement with persons likely to be affected by the arrangements. Additional consultations will be undertaken as necessary, and in line with each Partner's obligations regarding consultation with affected parties, in respect of any future proposals to vary the plan or individual schemes.
- (H) The Partners are entering into this Agreement in exercise of the powers referred to in Section 75 of the 2006 Act and/or Section 13Z(2) and 14Z(3) of the 2006 Act as applicable, to the extent that exercise of these powers is required for this Agreement.

1 DEFINED TERMS AND INTERPRETATION

1.1 In this Agreement, save where the context requires otherwise, the following words, terms and expressions shall have the following meanings:

1998 Act means the Data Protection Act 1998.

2000 Act means the Freedom of Information Act 2000.

2004 Regulations means the Environmental Information Regulations 2004.

2006 Act means the National Health Service Act 2006.

Affected Partner means, in the context of Clause 24, the Partner whose obligations under the Agreement have been affected by the occurrence of a Force Majeure Event

Agreement means this agreement including its Schedules and Appendices.

Approved Expenditure means any additional expenditure approved by the Partners in relation to an Individual Service above any Contract Price and Performance Payments.

Authorised Officers means an officer of each Partner appointed to be that Partner's representative for the purpose of this Agreement.

Better Care Fund means the Better Care Fund as described in NHS England Publications Gateway Ref. No.00314 and NHS England Publications Gateway Ref. No.00535 as relevant to the Partners.

Better Care Fund Plan means the plan, referred to in Schedule 6, setting out the Partners' plan for the use of the Better Care Fund.

CCG Statutory Duties means the Duties of the CCG pursuant to Sections 14P to 14Z2 of the 2006 Act.

CQUIN means the Commissioning for Quality and Innovation payments framework which encourages care providers to share and continually improve how care is delivered and to achieve transparency and overall improvement in healthcare.

Change in Law means the coming into effect or repeal (without re-enactment or consolidation) in England of any Law, or any amendment or variation to any Law, or any judgment of a relevant court of law which changes binding precedent in England after the date of this Agreement.

Commencement Date means 00:01 hrs on 1 April 2017.

Confidential Information means information, data and/or material of any nature which any Partner may receive or obtain in connection with the operation of this Agreement and the Services and:

- (a) which comprises Personal Data or Sensitive Personal Data or which relates to any patient or his treatment or medical history;
- (b) the release of which is likely to prejudice the commercial interests of a Partner or the interests of a Service User respectively; or
- (c) which is a trade secret.

Contract Price means any sum payable to a Provider under a Service Contract as consideration for the provision of Services and which, for the avoidance of doubt, does not include any Default Liability or Performance Payment.

Default Liability means any sum which is agreed or determined by Law or in accordance with the terms of a Services Contract to be payable by any Partner(s) to a Provider as a consequence of (i) breach of the Partner's obligation(s) in whole or in part under a relevant Services Contract or (ii) any

act or omission of a third party for which the Partner is, under the terms of a relevant Services Contract, liable to a Provider.

Expiry Date means 31st March 2019.

Financial Contributions means the financial contributions made by each Partner to a Pooled Fund in any Financial Year.

Financial Contributions Proposal means a proposal made by each Partner to a Pooled Fund or Non-Pooled Fund in respect of each Partner's financial contribution for each Individual Scheme subsequent to the first Financial Year's Financial Contributions.

Financial Year means each financial year running from 1 April in any year to 31 March in the following calendar year.

Force Majeure Event means one or more of the following:

- (a) war, civil war (whether declared or undeclared), riot or armed conflict;
- (b) acts of terrorism;
- (c) acts of God;
- (d) fire or flood;
- (e) industrial action;
- (f) prevention from or hindrance in obtaining raw materials, energy or other supplies;
- (g) any form of contamination or virus outbreak; and
- (h) any other event,

in each case where such event is beyond the reasonable control of the Partner claiming relief.

Functions means the NHS Functions and the Health Related Functions.

Health Related Functions means those of the health related functions of the Council, specified in Regulation 6 of the Regulations as relevant to the commissioning of the Services and which may be further described in the relevant Scheme Specification.

Host Partner means for each Pooled Fund the Partner that will host the Pooled Fund [and for any Aligned Fund the Partner that will host the Aligned Fund].

Health and Wellbeing Board means the Health and Wellbeing Board established by the Council pursuant to Section 194 of the Health and Social Care Act 2012.

Indirect Losses means loss of profits, loss of use, loss of production, increased operating costs, loss of business, loss of business opportunity, loss of reputation or goodwill or any other consequential or indirect loss of any nature, whether arising in tort or on any other basis.

Individual Scheme means one of the schemes which is agreed by the Partners to be included within this Agreement using the powers under Section 75 as documented in a Scheme Specification.

Joint Commissioning means a mechanism by which the Partners jointly commission a Service. For the avoidance of doubt, a joint commissioning arrangement does not involve the delegation of any functions pursuant to Section 75.

Law means:

- (a) any statute or proclamation or any delegated or subordinate legislation;
- (b) any enforceable community right within the meaning of Section 2(1) European Communities Act 1972;
- (c) any guidance, direction or determination with which the Partner(s) or relevant third party (as applicable) are bound to comply to the extent that the same are published and publicly available or the existence or contents of them have been notified to the Partner(s) or relevant third party (as applicable); and

(d) any judgment of a relevant court of law which is a binding precedent in England.

Lead Commissioning means the arrangements by which one Partner commissions Services in relation to an Individual Scheme on behalf of the other Partner in exercise of both the NHS Functions and the Council Functions.

Lead Commissioner means the Partner responsible for commissioning an Individual Service under a Scheme Specification.

Local Incentive Scheme (also known as single incentive scheme) means the single incentive scheme payable to Tower Hamlets Together member organisations on achievement of specific performance-related metrics.

London Living Wage means the hourly rate of pay set by the Mayor of London for residents working in London (as amended from time to time).

Losses means all damage, loss, liabilities, claims, actions, costs, expenses (including the cost of legal and/or professional services), proceedings, demands and charges whether arising under statute, contract or at common law but excluding Indirect Losses and "Loss" shall be interpreted accordingly.

Month means a calendar month.

National Conditions mean the national conditions as set out in the NHS England Planning Guidance as are amended or replaced from time to time.

National Guidance means any and all guidance in relation to the Better Care Fund, as issued from time to time by NHS England, the Department of Communities and Local Government and the Department of Health, either collectively or separately.

NHS Functions means those of the NHS functions listed in Regulation 5 of the Regulations as are exercisable by the CCG as are relevant to the commissioning of the Services and which may be further described in each Service Schedule

Non-Pooled Fund means the budget detailing the financial contributions of the Partners which are not included in a Pooled Fund in respect of a particular Service as set out in the relevant Scheme Specification

Non-Recurrent Payments means funding provided by a Partner to a Pooled Fund in addition to the Financial Contributions pursuant to arrangements agreed in accordance with Clause 10.5.

Overspend means any expenditure from a Pooled Fund in a Financial Year which exceeds the Financial Contributions for that Financial Year.

Partner means each of the CCG and the Council, and references to "**Partners**" shall be construed accordingly.

Partnership Board means the partnership board responsible for the oversight of this Agreement as set out in Schedule 2. (For the avoidance of doubt, in Tower Hamlets this is the Joint Commissioning Executive.)

Permitted Budget means in relation to a Service where the Council is the Provider, the budget that the Partners have set in relation to the particular Service.

Permitted Expenditure has the meaning given in Clause 7.4.

Personal Data means Personal Data as defined by the 1998 Act.

Pooled Fund means any pooled fund established and maintained by the Partners as a pooled fund in accordance with the Regulations

Pooled Fund Manager means such officer of the Host Partner which includes a Section 113 Officer for the relevant Pooled Fund established under an Individual Scheme as is nominated by the Host Partner from time to time to manage the Pooled Fund in accordance with Clause 8.

Provider means a provider of any Services commissioned under the arrangements set out in this Agreement.

Public Health England means the SOSH trading as Public Health England.

Quarter means each of the following periods in a Financial Year:

1 April to 30 June
1 July to 30 September
1 October to 31 December
1 January to 31 March

and "**Quarterly**" shall be interpreted accordingly.

Regulations means the means the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 No 617 (as amended).

Scheme Specification means a specification setting out the arrangements for an Individual Scheme agreed by the Partners to be commissioned under this Agreement.

Sensitive Personal Data means Sensitive Personal Data as defined in the 1998 Act.

Services means such health and social care services as agreed from time to time by the Partners as commissioned under the arrangements set out in this Agreement and more specifically defined in each Scheme Specification.

Services Contract means an agreement for the provision of Services entered into by one or more of the partners, in exercise of its obligations under this agreement, to secure the provision of the Services in accordance with the relevant Individual Scheme.

Service Users means those individual for whom the Partners have a responsibility to commission the Services.

Standing Orders and Standing Financial Instructions (or equivalent) means the Partners' internal constitutional and corporate governance rules detailing the Partners' respective powers and delegations amongst other things.

SOSH means the Secretary of State for Health.

Third Party Costs means all such third party costs (including, but not limited to, legal, accounting and auditing costs) in respect of each Individual Scheme as a Partner reasonably and properly incurs in the proper performance of its obligations under this Agreement and as agreed by the Partnership Board.

Underspend means any expenditure from the Pooled Fund in a Financial Year which is less than the aggregate value of the Financial Contributions for that Financial Year.

Working Day means 8.00am to 6.00pm on any day except Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday (in England) under the Banking & Financial Dealings Act 1971.

- 1.2 In this Agreement, all references to any statute or statutory provision shall be deemed to include references to any statute or statutory provision which amends, extends, consolidates or replaces the same and shall include any orders, regulations, codes of practice, instruments or other subordinate legislation made thereunder and any conditions attaching thereto. Where relevant, references to

English statutes and statutory provisions shall be construed as references also to equivalent statutes, statutory provisions and rules of law in other jurisdictions.

- 1.3 Any headings to Clauses, together with the front cover and the index are for convenience only and shall not affect the meaning of this Agreement. Unless the contrary is stated, references to Clauses and Schedules shall mean the clauses and schedules of this Agreement.
- 1.4 Any reference to the Partners shall include their respective statutory successors, employees and agents.
- 1.5 In the event of a conflict, the conditions set out in the Clauses to this Agreement shall take priority over the Schedules.
- 1.6 Where a term of this Agreement provides for a list of items following the word "including" or "includes", then such list is not to be interpreted as being an exhaustive list.
- 1.7 In this Agreement, words importing any particular gender include all other genders, and the term "person" includes any individual, partnership, firm, trust, body corporate, government, governmental body, trust, agency, unincorporated body of persons or association and a reference to a person includes a reference to that person's successors and permitted assigns.
- 1.8 In this Agreement, words importing the singular only shall include the plural and vice versa.
- 1.9 In this Agreement, "staff" and "employees" shall have the same meaning and shall include reference to any full or part time employee or officer, director, manager and agent.
- 1.10 Subject to the contrary being stated expressly or implied from the context in these terms and conditions, all communication between the Partners shall be in writing.
- 1.11 Unless expressly stated otherwise, all monetary amounts are expressed in pounds sterling but in the event that pounds sterling is replaced as legal tender in the United Kingdom by a different currency then all monetary amounts shall be converted into such other currency at the rate prevailing on the date such other currency first became legal tender in the United Kingdom.
- 1.12 All references to the Agreement include (subject to all relevant approvals) a reference to the Agreement as amended, supplemented, substituted, novated or assigned from time to time.

2 TERM

- 2.1 This Agreement shall come into force on the Commencement Date and shall continue until the Expiry Date.
- 2.2 This Agreement shall continue until it is terminated in accordance with Clause 22.
- 2.3 This Agreement supersedes all earlier BCF Section 75 Agreements, without prejudice to the rights and liabilities of the Partners under those Agreements, and supersedes the Pooled Budget Agreement for the Integrated Community Equipment Service (ICES) 2014.

3 GENERAL PRINCIPLES

- 3.1 Nothing in this Agreement shall affect:
 - 3.1.1 the liabilities of the Partners to each other or to any third parties for the exercise of their respective functions and obligations (including the Functions); or
 - 3.1.2 any power or duty to recover charges for the provision of any services (including the Services) in the exercise of any local authority function.
- 3.2 The Partners agree to:

- 3.2.1 treat each other with respect and an equality of esteem;
- 3.2.2 be open with information about the performance and financial status of each; and
- 3.2.3 provide early information and notice about relevant problems.

3.3 For the avoidance of doubt, the aims and outcomes relating to an Individual Scheme will be set out in the relevant Scheme specification.

4 PARTNERSHIP FLEXIBILITIES

4.1 This Agreement sets out the mechanism through which the Partners will work together to establish one or more of the following:

- 4.1.1 Lead Commissioning Arrangements; and
- 4.1.2 the establishment of one or more Pooled Funds.

in relation to Individual Schemes (the "**Flexibilities**")

4.2 The Council delegates to the CCG and the CCG agrees to exercise, on the Council's behalf, the Health Related Functions to the extent necessary for the purpose of performing its obligations under this Agreement in conjunction with the NHS Functions.

4.3 The CCG delegates to the Council and the Council agrees to exercise on the CCG's behalf the NHS Functions to the extent necessary for the purpose of performing its obligations under this Agreement in conjunction with the Health Related Functions.

4.4 Where the powers of a Partner to delegate any of its statutory powers or functions are restricted, such limitations will automatically be deemed to apply to the relevant Scheme Specification and the Partners shall agree arrangements designed to achieve the greatest degree of delegation to the other Partner necessary for the purposes of this Agreement which is consistent with the statutory constraints.

4.5 At the Commencement Date of this Agreement the following Individual Schemes will be included within its scope:

4.5.1 The following Individual Schemes with Lead Commissioning with Council as Lead Partner:

- (a) LinkAge Plus
- (b) Reablement Team
- (c) Community Health Team (Social Care)
- (d) 7 Day Hospital Social Work Team
- (e) Community Equipment Services (joint)
- (f) Care Act Implementation
- (g) Carers' Duties
- (h) Disabled Facilities Grant
- (i) Local Authority Integration Support (Enablers)
- (j) Community Outreach Service (Dementia)
- (k) Dementia Café
- (l) Social Worker input into the Memory Clinic
- (m) Improved BCF Scheme

4.5.2 The following Individual Schemes with Lead Commissioning with CCG as Lead Partner:

- (a) Extended Primary Care Team
- (b) Integrated Clinical and Commissioning Quality Network Incentive Scheme (NIS)
- (c) Rapid Assessment, Interface and Discharge (RAID)
- (d) Adult autism diagnostic intervention service

- (e) Mental Health Recovery College
- (f) Community Geriatrician Team
- (g) Personalisation (IPC Programme)
- (h) Psychological Support for People with Long-Term Conditions
- (i) St Joseph's Hospice
- (j) Voices Survey
- (k) Age UK Last Years of Life
- (l) Barts Acute Palliative Care Team
- (m) Admission Avoidance and Discharge Service (incorporating Discharge to Assess)
- (n) Age UK Take Home and Settle
- (o) CVS Commissioning Development Programme
- (p) Single Incentive Scheme
- (q) Out of Borough (OOB) Social Worker (LBTH)
- (r) Spot Purchase (overseen by CSU)
- (s) Homeless Support (Groundswell)

4.6 Further schemes may be added to this Agreement, as are agreed by the Partnership Board.

5 FUNCTIONS

5.1 The purpose of this Agreement is to establish a framework through which the Partners can secure the provision of health and social care services in accordance with the terms of this Agreement.

5.2 This Agreement shall include such functions as shall be agreed from time to time by the Partners.

5.3 Where the Partners add a new Individual Scheme to this Agreement a Scheme Specification for each Individual Scheme shall be in the form set out in Schedule 1 and shall be completed and agreed between the Partners. The initial Scheme Specification is set out in Schedule 1 part 2 (which may be varied from time to time by the Partners in accordance with the terms of this Agreement).

5.4 The Partners shall not enter into a Scheme Specification in respect of an Individual Scheme unless they are satisfied that the Individual Scheme in question will improve health and well-being in accordance with this Agreement.

5.5 The introduction of any Individual Scheme will be subject to:

5.5.1 a business case (on the respective template of the Partner wishing to propose the same or as otherwise agreed between the Partners); and

5.5.2 approval by the Partnership Board.

6 COMMISSIONING ARRANGEMENTS

General

6.1 The Partners shall comply with the commissioning arrangements as set out in the relevant Scheme Specification

6.2 The Partnership Board will report back to the Health and Wellbeing Board, as required by its Terms of Reference.

6.3 The Partners will comply with all relevant legal duties and guidance in relation to the Services being commissioned.

6.4 Each Partner shall keep the other Partner and the Partnership Board regularly informed of the effectiveness of the arrangements, including the Better Care Fund and any Overspend or Underspend in a Pooled Fund or Non-Pooled Fund.

6.5 Where there are Lead Commissioning Arrangements in respect of an Individual Scheme, then, prior to any new Services Contract being entered into, the Partners shall agree in writing:

6.5.1 how the liability under each Services Contract shall be apportioned in the event of termination of the relevant Individual Scheme; and

6.5.2 whether the Services Contract should give rights to third parties (and, in particular, if a Partner is not a party to the Services Contract, the Partners shall consider whether or not the Partner that is not to be a party to the Services Contract should be afforded any rights to enforce any terms of the Services Contract under the Contracts (Rights of Third Parties) Act 1999. If it is agreed that such rights should be afforded, the Partner entering the Services Contract shall ensure that, as far as is reasonably possible, such rights that have been agreed are included in the Services Contract and shall establish how liability under the Services Contract shall be apportioned in the event of termination of the relevant Individual Scheme.)

6.6 The Partners shall comply with the arrangements in respect of Joint Commissioning, as set out in the relevant Scheme Specification, which shall include where applicable arrangements in respect of the Services Contracts.

Appointment of a Lead Commissioner

6.7 Where there are Lead Commissioning Arrangements in respect of an Individual Scheme the Lead Commissioner shall:

6.7.1 commission Services for individuals who meet the eligibility criteria set out in the relevant Scheme Specification;

6.7.2 contract with Provider(s) for the provision of the Services on terms agreed with the other Partners;

6.7.3 comply with all relevant legal duties (including any Change in Law) and guidance (as amended from time to time) of both Partners in relation to the Services being commissioned;

6.7.4 where Services are commissioned using the NHS Standard Form Contract, perform the obligations of the "Commissioner" and "Co-ordinating Commissioner" with all due skill, care and attention and where Services are commissioned using any other form of contract to perform its obligations with all due skill and attention;

6.7.5 undertake performance management and contract monitoring of all Service Contracts and ensure that effective and timely action to remediate any non-performance is taken;

6.7.6 make payment of all sums due to a Provider pursuant to the terms of any Services Contract.

6.7.7 keep the other Partner and the Partnership Board regularly informed of the effectiveness of the arrangements including the Better Care Fund and any Overspend or Underspend in a Pooled Fund or Non Pooled Fund.

Responsibilities of the other Partner

6.8 The other Partner, insofar as they are a provider of services under Individual Schemes, shall undertake to provide all necessary performance and financial data necessary to enabling the Lead Commissioner to fulfil the responsibilities at 6.7.

7 ESTABLISHMENT OF A POOLED FUND

7.1 In exercise of their respective powers under Section 75 of the 2006 Act, the Partners have agreed to establish and maintain such pooled funds for revenue expenditure as set out in the Scheme Specifications.

7.2 At the Commencement Date of this Agreement there shall be two Pooled Funds:

Pooled Fund	BCF Scheme	Lead Commissioner	Provider	BCF Allocation 2017-18 (£)	BCF Allocation 2018-19 (£)
Pooled Fund Hosted by London Borough of Tower Hamlets	LinkAge Plus	Council	VCS	643,739	643,739
	Reablement Team	Council	Council	2,457,079	2,503,763
	Community Health Team (Social Care)	Council	Council	911,529	928,848
	7 Day Hospital Social Work Team	Council	Council	1,252,831	1,276,634
	Community Equipment Services (joint)	Council	Council	2,160,026	2,175,575
	Care Act Implementation	Council	Council	746,120	760,296
	Carers Duties	Council	Council	709,476	722,956
	Disabled Facilities Grant	Council	Council	1,733,988	1,895,435
	Local Authority Integration Support (Enablers)	Council	Council	211,723	215,745
	Community outreach service (Dementia)	Council	VCS	55,984	57,047
	Dementia café	Council	VCS	25,447	25,930
	Social worker input into the memory clinic	Council	Council	50,895	51,862
	Improved BCF	Council	Council	8,657,393	11,907,381
Total				19,616,230	23,165,211
Pooled Fund hosted by Tower Hamlets Clinical Commissioning Group	Extended Primary Care Team	CCG	ELFT	13,235,986	13,245,567
	Integrated Clinical and Commissioning Quality Network Incentive Scheme	CCG	GP Care Group	4,461,313	4,461,313
	RAID	CCG	ELFT	2,144,124	2,184,862
	Adult autism diagnostic intervention service	CCG	ELFT	335,907	342,289
	Mental Health Recovery College	CCG	ELFT & VCS	111,969	114,096
	Community Geriatrician Team	CCG	Barts Acute	117,058	119,282
	Personalisation (IPC programme)	CCG	VCS	125,000	125,000
	Psychological Support for People with Long Term Conditions (Previously Mental Health Personal Commissioning)	CCG	ELFT	153,000	153,000
	St Joseph's Hospice	CCG	St Joseph's	2,029,248	2,029,248
	Voices Survey	CCG	St Joseph's	30,000	30,000
	Age UK Last Years of Life	CCG	VCS	91,500	91,500

Barts Acute Palliative Care Team	CCG	Barts Acute	959,086	959,086
Admission Avoidance and Discharge Service (incorporating Discharge to Assess)	CCG	THT	927,954	850,955
Age UK Take Home and Settle	CCG	VCS	114,000	114,000
CVS Commissioning Development Programme	CCG	THCVS	70,000	0
Single Incentive Scheme	CCG	THT	500,000	500,000
OOB Social Worker	CCG	LBTH	60,000	60,000
Spot Purchase (overseen by CSU)	CCG	Acute	85,000	85,000
Homeless Support (Groundswell)	CCG	VCS	60,000	0
Total			25,611,145	25,465,198
BCF Total			45,227,375	48,630,409

7.3 Each Pooled Fund shall be managed and maintained in accordance with the terms of this Agreement.

7.4 It is agreed that the monies held in a Pooled Fund may only be expended on the following:

7.4.1 the Contract Price;

7.4.2 the Permitted Budget;

7.4.3 Performance Payments;

7.4.4 Third Party Costs, where these are set out in the relevant Scheme Specification or as otherwise agreed in advance by the Partnership Board

7.4.5 Approved Expenditure, as set out in the relevant Scheme Specification or as otherwise agreed in advance by the Partnership Board;

7.4.6 any other explicit allowances stipulated in this Agreement; and

7.4.7 subject to Clause 7.4.

“Permitted Expenditure”

7.5 The Partners may only depart from the definition of Permitted Expenditure to include or exclude other revenue expenditure with the express written agreement of each Partner or the Partnership Board.

7.6 For the avoidance of doubt, monies held in the Pooled Fund may not be expended on Default Liabilities unless this is agreed by all Partners in accordance with clause 7.4.

7.7 Pursuant to this Agreement, the Partners agree to appoint a Host Partner for each of the Pooled Funds set out in the Scheme Specifications. The Host Partner shall be the Partner responsible for:

- 7.7.1 holding all monies contributed to the Pooled Fund on behalf of itself and the other Partners;
- 7.7.2 providing the financial administrative systems for the Pooled Fund;
- 7.7.3 appointing the Pooled Fund Manager; and
- 7.7.4 ensuring that the Pooled Fund Manager complies with its obligations under this Agreement.

8 POOLED FUND MANAGEMENT

- 8.1 When introducing a Pooled Fund in respect of an Individual Scheme, the Partners shall agree:
 - 8.1.1 which of the Partners shall act as Host Partner for the purposes of Regulations 7(4) and 7(5) and shall provide the financial administrative systems for the Pooled Fund;
 - 8.1.2 which officer of the Host Partner shall act as the Pooled Fund Manager for the purposes of Regulation 7(4) of the Regulations.
- 8.2 The Pooled Fund Manager for each Pooled Fund shall have the following duties and responsibilities:
 - 8.2.1 the day to day operation and management of the Pooled Fund;
 - 8.2.2 ensuring that all expenditure from the Pooled Fund is in accordance with the provisions of this Agreement and the relevant Scheme Specification;
 - 8.2.3 maintaining an overview of all joint financial issues affecting the Partners in relation to the Services and the Pooled Fund;
 - 8.2.4 ensuring that full and proper records for accounting purposes are kept in respect of the Pooled Fund and liaising with internal and external auditors as necessary;
 - 8.2.5 reporting to the Partnership Board, as required by the Partnership Board and the relevant Scheme Specification;
 - 8.2.6 ensuring action is taken to manage any projected under or overspends relating to the Pooled Fund in accordance with this Agreement;
 - 8.2.7 preparing and submitting to the Partnership Board Quarterly reports (or more frequent reports, if required by the Partnership Board) and an annual return about the income and expenditure from the Pooled Fund together with such other information as may be required by the Partners and the Partnership Board to monitor the effectiveness of the Pooled Fund and to enable the Partners to complete their own financial accounts and returns. The Partners agree to provide all necessary information to the Pooled Fund Manager in time for the reporting requirements to be met.
 - 8.2.8 preparing and submitting reports to the Health and Wellbeing Board as required by it.
- 8.3 In carrying out their responsibilities as provided under Clause 8.2 the Pooled Fund Manager shall have regard to the recommendations of the Partnership Board and shall be accountable to the Partners.
- 8.4 The Partnership Board may agree to the viring of funds between Pooled Funds subject always to the Law and the Partners' Standing Orders and Standing Financial Instructions.
- 8.5 The Partnership Board may agree to the secondment of employees between Partners for the purposes of managing Pooled Funds or management and delivery of Individual Schemes subject always to the Law, Partners' Standing Orders and Standing Financial Instructions, and the Partners' Human Resource and Managing Organisational Change policies and procedures.

9 NON-POOLED FUNDS

- 9.1 Any Financial Contributions agreed to be held within a Non Pooled Fund will be notionally held in a fund established for the purpose of commissioning that Service, as set out in the relevant Scheme Specification. For the avoidance of doubt, a Non Pooled Fund does not constitute a pooled fund for the purposes of Regulation 7 of the Regulations.
- 9.2 When introducing a Non Pooled Fund in respect of an Individual Scheme, the Partners shall agree:
- 9.2.1 which Partner if any shall host the Non-Pooled Fund; and
 - 9.2.2 how and when Financial Contributions shall be made to the Non-Pooled Fund.
- 9.3 The Host Partner will be responsible for establishing the financial and administrative support necessary to enable the effective and efficient management of the Non-Pooled Fund, meeting all required accounting and auditing obligations.
- 9.4 Both Partners shall ensure that Services commissioned using a Non Pooled Fund are commissioned solely in accordance with the relevant Scheme Specification.
- 9.5 Where there are Joint Commissioning arrangements, both Partners shall work in cooperation and shall endeavour to ensure that:
- 9.5.1 the NHS Functions funded from a Non-Pooled Fund are carried out within the CCG Financial Contribution to the Non-Pooled Fund for the relevant Service in each Financial Year; and
 - 9.5.2 the Health Related Functions funded from a Non-Pooled Fund are carried out within the Council's Financial Contribution to the Non-Pooled Fund for the relevant Service in each Financial Year.

10 FINANCIAL CONTRIBUTIONS

- 10.1 The Financial Contribution of the CCG and the Council to any Pooled Fund or Non-Pooled Fund for the first Financial Year of operation of each Individual Scheme shall be as set out in the relevant Scheme Specification.
- 10.2 Financial Contributions will be paid as set out in the each Scheme Specification.
- 10.3 With the exception of Clause 13, no provision of this Agreement shall preclude the Partners from making additional contributions of Non-Recurrent Payments to the Pooled Fund from time to time by mutual agreement. Any such additional contributions of Non-Recurrent Payments shall be explicitly recorded in Partnership Board minutes and recorded in the budget statement as a separate item.

11 NON-FINANCIAL CONTRIBUTIONS

- 11.1 Unless set out in the scheme specification or otherwise agreed by the Partners, each partner shall provide non-financial contributions for any Service for which they are Lead Commissioner, or as required in order to comply with its obligations under this Agreement in respect of the commissioning of a particular service. These contributions, which shall be provided at no charge to the other Partner or to the Pooled Fund, may include staff (including the Pooled Fund Manager), premises, IT and financial management support and other non-financial resources necessary to perform its obligations pursuant to this Agreement (including, but not limited to, the management of Service Contracts and the Pooled Fund).

12 RISK SHARE ARRANGEMENTS, OVERSPENDS AND UNDERSPENDS

Risk share arrangements

- 12.1 The Partners have agreed risk share arrangements as set out in Schedule 3, which provide for financial risks arising within the commissioning of Services from the pooled funds.

Local incentive scheme

- 12.2 An incentive scheme will be developed by the CCG and the council to encourage and reward joint working that achieves the aims of the Tower Hamlets Together Partnership and the Better Care Fund.

Overspends in Pooled Fund

- 12.3 Subject to Clause 12.5, the Host Partner for the relevant Pooled Fund shall manage expenditure from a Pooled Fund within the Financial Contributions and shall ensure that the expenditure is limited to Permitted Expenditure.
- 12.4 The Host Partner shall not be in breach of its obligations under this Agreement if an Overspend occurs PROVIDED THAT the only expenditure from a Pooled Fund has been in accordance with Permitted Expenditure and it has informed the Partnership Board in accordance with Clause 12.5
- 12.5 Where the Pooled Fund Manager identifies an actual or projected Overspend and notifies the Partnership Board in accordance with Clause 8, the provisions of Clause 12.6, 12.7 and Schedule 3 shall apply.
- 12.6 Subject to Clause 12.7, for twelve (12) months from the Commencement Date of this Agreement the Partners agree that any Overspends occurring in respect of Individual Schemes however such Overspends arise, shall be the responsibility of the Scheme Provider to manage. For the absence of doubt this includes schemes for which the Council is the Service Provider.
- 12.7 The Partnership Board may agree, in circumstances where an Overspend arises, to contribute to the mitigation of said Overspend by authorising the virement of funds from elsewhere within the Pooled Fund, subject always to there being sufficient capacity within the Pooled Fund to avoid the creation of a consequential Overspend elsewhere.

Overspends in Non Pooled Funds

- 12.8 Where in Joint Commissioning Arrangements either Partner forecasts an Overspend in relation to a Partner's Financial Contribution to an Aligned Fund that Partner shall as soon as reasonably practicable inform the other Partner and the Partnership Board.
- 12.9 Where there is a Lead Commissioning Arrangement the Lead Commissioner is responsible for the management of any Aligned Fund and shall discharge this responsibility in a manner consistent with the responsibilities assigned to the Host Partner by clauses 12.3 to 12.7. The Lead Commissioner shall as soon as reasonably practicable inform the other Partner and the Partnership Board.

Underspend

- 12.10 In the event that expenditure from any Pooled Fund or Non Pooled Fund in any Financial Year is less than the aggregate value of the Financial Contributions made for that Financial Year, or where the expenditure in relation to an individual scheme is less than the agreed allocation to that particular Individual Scheme, the Partners shall agree how the monies shall be spent, carried forward and/or returned to the Partners. Such arrangements shall be subject to the Law and the Standing Orders and Standing Financial Instructions (or equivalent) of the Partners.

13 CAPITAL EXPENDITURE

- 13.1 With the exception of Pooled Funds covered by clause 13.2, neither Pooled Funds nor Non-Pooled Funds shall normally be applied towards any one-off expenditure on goods and/or services, which will provide continuing benefit and would, historically, have been funded from the capital budgets of one of the Partners. If a need for capital expenditure is identified this must be agreed by the Partners.

13.2 The elements of the Pooled Funds which relate to Disabled Facilities Grant shall be treated as capital funds and all expenditure against these funds shall be subject to the Law and the Standing Orders and Standing Financial Instructions (or equivalent) of the Partners.

13.3 Any arrangements for the sharing of capital expenditure shall be made separately and in accordance with Section 256 (or Section 76) of the NHS Act 2006 and directions thereunder.

14 VAT

14.1 The Partners shall agree the treatment of the Pooled Fund for VAT purposes in accordance with any relevant guidance from HM Revenue and Customs.

15 AUDIT AND RIGHT OF ACCESS

15.1 All Partners shall promote a culture of probity and sound financial discipline and control. The Host Partner shall make appropriate arrangements for the audit of the accounts of the relevant Pooled Fund.

15.2 All internal and external auditors and all other persons authorised by the Partners will be given the right of access by them to any document, information or explanation they require from any employee or member of the Partner, in order to carry out their duties. This right is not limited to financial information or accounting records and applies equally to premises or equipment used in connection with this Agreement. Access may be at any time without notice, provided there is good cause for access without notice.

15.3 The Partners shall comply with relevant NHS and local authority finance and accounting obligations, as required by the relevant Law and/or National Guidance.

16 LIABILITIES AND INSURANCE AND INDEMNITY

16.1 Subject to Clause 16.2, and 16.3, if a Partner ("**First Partner**") incurs a Loss arising out of or in connection with this Agreement or the Services Contract as a consequence of any act or omission of another Partner ("**Other Partner**") which constitutes negligence, fraud or a breach of contract in relation to this Agreement or the Services Contract then the Other Partner shall be liable to the First Partner for that Loss and shall indemnify the First Partner accordingly.

16.2 Clause 16.1 shall only apply to the extent that the acts or omissions of the Other Partner contributed to the relevant Loss. Furthermore, it shall not apply if such act or omission occurred as a consequence of the Other Partner acting in accordance with the instructions or requests of the First Partner or the Partnership Board.

16.3 If any third party makes a claim or intimates an intention to make a claim against either Partner, which may reasonably be considered as likely to give rise to liability under this Clause 16. the Partner that may claim against the other indemnifying Partner will:

16.3.1 as soon as reasonably practicable give written notice of that matter to the Other Partner specifying in reasonable detail the nature of the relevant claim;

16.3.2 not make any admission of liability, agreement or compromise in relation to the relevant claim without the prior written consent of the Other Partner (such consent not to be unreasonably conditioned, withheld or delayed);

16.3.3 give the Other Partner and its professional advisers reasonable access to its premises and personnel and to any relevant assets, accounts, documents and records within its power or control so as to enable the indemnifying Partner and its professional advisers to examine such premises, assets, accounts, documents and records and to take copies at their own expense for the purpose of assessing the merits of, and if necessary defending, the relevant claim.

16.4 Subject to Clause 16.2 and 16.3, if any third party makes a claim against either Partner which gives rise to liability under this Clause 16. and such claim arises from unrecoverable non-performance by a Service Provider which for the avoidance of doubt includes but is not limited to:

16.4.1 a breach of the Provider's obligations under the Services Contract;

16.4.2 a termination event (as defined under the Services Contract) which entitles a third party to terminate the Provider's Services Contract

and all reasonable steps have been taken by the relevant Partner to recover such liabilities, the liability shall be met from the Pooled Funds.

16.5 For the purposes of Clause 16.4, where such action creates an Overspend such expenditure shall be deemed to be Permitted Expenditure under Clause 12.3.

16.6 Each Partner shall ensure that they maintain policies of insurance (or equivalent arrangements through schemes operated by the National Health Service Litigation Authority) in respect of all potential liabilities arising from this Agreement.

16.7 Each Partner shall at all times take all reasonable steps to minimise and mitigate any loss for which one party is entitled to bring a claim against the other pursuant to this Agreement.

17 STANDARDS OF CONDUCT AND SERVICE

17.1 The Partners will at all times comply with the Law and ensure good corporate governance in respect of each Partner (including the Partners' respective Standing Orders and Standing Financial Instructions).

17.2 The Council is subject to the duty of Best Value under the Local Government Act 1999. This Agreement and the operation of the Pooled Fund is therefore subject to the Council's obligations for Best Value and the other Partner will co-operate with all reasonable requests from the Council which the Council considers necessary in order to fulfil its Best Value obligations.

17.3 The CCG is subject to the CCG Statutory Duties and these incorporate a duty of clinical governance, which is a framework through which it is accountable for continuously improving the quality of its services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish. This Agreement and the operation of the Pooled Funds are therefore subject to ensuring compliance with the CCG Statutory Duties and clinical governance obligations.

17.4 The Partners acknowledge their respective duties under equality legislation to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between different groups and their respective policies. The Partners will maintain and develop these policies as applied to the Services, with the aim of developing a joint strategy for all elements of the Services.

17.5 The Partners acknowledge their respective commitments to the London Living Wage in this Agreement. Where applicable, the Partners shall use their reasonable endeavours to procure that Service Providers commissioned in respect of any Individual Schemes for which the Partners are responsible, accept and agree to the London Living Wage in their Services Contracts.

18 CONFLICTS OF INTEREST

18.1 The Partners shall comply with the agreed policy for identifying and managing conflicts of interest as set out in Schedule 7.

19 GOVERNANCE

19.1 Overall strategic oversight of partnership working between the Partners is vested in the Health and Well Being Board, which for these purposes shall make recommendations to the Partners as to any action it considers necessary.

- 19.2 The Partners have established a Partnership Board to:
- 19.2.1 Oversee joint strategic commissioning of services in Tower Hamlets for children and young people, adults and public health.
 - 19.2.2 Coordinate the development of joint strategies for the relevant service areas and ensure necessary arrangements are in place to implement strategies and procure service changes.
 - 19.2.3 Oversee strategic market development and management, and oversee plans to re-commission and de-commission services, aligning this work with joint strategic procurement plans.
 - 19.2.4 Report key decisions to the Health and Wellbeing Board and related Delivery Boards as well as to relevant executive and governing bodies of the CCG and Council.
- 19.3 The Partnership Board is based on a joint working group structure. Each member of the Partnership Board shall be an officer of one of the Partners and will have individual delegated responsibility from the Partner employing them to make decisions which enable the Partnership Board to carry out its objects, roles, duties and functions as set out in this Clause 19 and Schedule 2.
- 19.4 The terms of reference of the Partnership Board in respect of Better Care Fund are summarised in Schedule 2.
- 19.5 Each Partner has secured internal reporting arrangements to ensure the standards of accountability and probity required by each Partner's own statutory duties and organisation are complied with.
- 19.6 The Joint Commissioning Executive shall be responsible for the overall approval of Individual Schemes, ensuring compliance with the Better Care Fund Plan and the strategic direction of the Better Care Fund.
- 19.7 Each Scheme Specification shall confirm the governance arrangements in respect of the Individual Scheme and how that Individual Scheme is reported to the Partnership Board and Health and Wellbeing Board.

20 REVIEW

- 20.1 Save where the Partnership Board agrees alternative arrangements (including alternative frequencies) the Partners shall undertake an annual review ("**Annual Review**") of the operation of this Agreement, any Pooled Fund and the provision of the Services within 3 Months of the end of each Financial Year.
- 20.2 Subject to any variations to this process required by the Partnership Board, Annual Reviews shall be conducted in good faith and, where applicable, in accordance with the governance arrangements set out in Schedule 2.
- 20.3 The Partners shall within 20 Working Days of the Annual Review prepare a joint annual report documenting the matters referred to in this Clause 20. A copy of this report shall be provided to the Partnership Board, and subsequently to the Health and Wellbeing Board. Each Partner shall secure internal reporting arrangements to ensure the standards of accountability and probity required by each Partner's own statutory duties and organisation are complied with.
- 20.4 In the event that the Partners fail to meet the requirements of the Better Care Fund Plan and NHS England the Partners shall provide full co-operation with NHS England to agree a recovery plan. The Clinical Commissioning Group, as the NHS body, will act as the lead Partner in any such engagement with NHS England.

21 COMPLAINTS

21.1 The Partners' own complaints procedures shall apply to this Agreement. The Partners agree to assist one another in the management of complaints arising from this Agreement or the provision of the Services and shall keep records of all complaints and provide the same for review by the Partnership Board every Quarter of this Agreement (or as otherwise agreed between the Partners).

22 TERMINATION & DEFAULT

22.1 This Agreement may be terminated by any Partner giving not less than 3 Months' notice in writing to terminate this Agreement, provided that such termination shall not take effect prior to the termination or expiry of all Individual Schemes.

22.2 Each Individual Scheme may be amended or terminated by agreement of the Partnership Board.

22.3 If any Partner ("Relevant Partner") fails to meet any of its obligations under this Agreement, the other Partner may by notice require the Relevant Partner to take such reasonable action within a reasonable timescale as the other Partner may specify to rectify such failure. Should the Relevant Partner fail to rectify such failure within such reasonable timescale, the matter shall be referred for resolution in accordance with Clause 23.

22.4 Termination of this Agreement (whether by effluxion of time or otherwise) shall be without prejudice to the Partners' rights in respect of any antecedent breach and the provisions of Clauses 15 (Audit and Right of Access), 16 (Liabilities and Insurance and Indemnity), 22 (Termination & Default), 25 (Confidentiality), 26 (Freedom of Information and Environmental Protection Regulations) and 28 (Information Sharing).

22.5 In the event of termination of this Agreement, the Partners agree to cooperate to ensure an orderly wind down of their joint activities and to use their best endeavours to minimise disruption to the health and social care which is provided to the Service Users.

22.6 Upon termination of this Agreement for any reason whatsoever the following shall apply:

22.6.1 the Partners agree that they will work together and co-operate to ensure that the winding down and disaggregation of the integrated and joint activities to the separate responsibilities of the Partners is carried out smoothly and with as little disruption as possible to service users, employees, the Partners and third parties, so as to minimise costs and liabilities of each Partner in doing so;

22.6.2 where either Partner has entered into a Service Contract which continues after the termination of this Agreement, both Partners shall continue to contribute to the Contract Price in accordance with the agreed contribution for that Service prior to termination and will enter into all appropriate legal documentation required in respect of this;

22.6.3 the Lead Commissioner shall make reasonable endeavours to amend or terminate a Service Contract (which shall for the avoidance of doubt not include any act or omission that would place the Lead Commissioner in breach of the Service Contract) where the other Partner requests the same in writing Provided that the Lead Commissioner shall not be required to make any payments to the Provider for such amendment or termination unless the Partners shall have agreed in advance who shall be responsible for any such payment.

22.6.4 where a Service Contract held by a Lead Commissioner relates all or partially to services which relate to the other Partner's Functions then provided that the Service Contract allows the other Partner may request that the Lead Commissioner assigns the Service Contract in whole or part upon the same terms mutatis mutandis as the original contract.

22.6.5 the Partnership Board shall continue to operate for the purposes of functions associated with this Agreement for the remainder of any contracts and commitments relating to this Agreement; and

22.6.6 Termination of this Agreement shall have no effect on the liability of any rights or remedies of either Partner already accrued, prior to the date upon which such termination takes effect.

22.7 In the event of termination in relation to an Individual Scheme the provisions of Clause 22.6 shall apply *mutatis mutandis* in relation to the Individual Scheme (as though references as to this Agreement were to that Individual Scheme).

23 DISPUTE RESOLUTION

23.1 In the event of a dispute between the Partners arising out of this Agreement, either Partner may serve written notice of the dispute on the other Partner, setting out full details of the dispute.

23.2 The Authorised Officers shall meet in good faith as soon as possible and in any event within seven (7) days of notice of the dispute being served pursuant to Clause 23.1, at a meeting convened for the purpose of resolving the dispute.

23.3 If the dispute remains after the meeting detailed in Clause 23.2 has taken place, the Council's Director of Adult Services and the CCG's Chief Officer or their nominees shall meet in good faith as soon as possible after the relevant meeting and in any event with fourteen (14) days of the date of the meeting, for the purpose of resolving the dispute.

23.4 If the dispute remains after the meeting detailed in Clause 23.3 has taken place, then the Partners will jointly refer the matter to the Partnership Board.

23.5 If the dispute remains after the measures detailed in Clauses 23.2-23.4 have been taken, the Partners will attempt to settle such dispute by mediation in accordance with the CEDR Model Mediation Procedure or any other model mediation procedure as agreed by the Partners. To initiate mediation, either Partner may give notice in writing (a "**Mediation Notice**") to the other requesting mediation of the dispute and shall send a copy thereof to CEDR or an equivalent mediation organisation as agreed by the Partners asking them to nominate a mediator. The mediation shall commence within twenty (20) Working Days of the Mediation Notice being served. Neither Partner will terminate such mediation until each of them has made its opening presentation and the mediator has met each of them separately for at least one (1) hour. Thereafter, paragraph 14 of the Model Mediation Procedure will apply (or the equivalent paragraph of any other model mediation procedure agreed by the Partners). The Partners will co-operate with any person appointed as mediator, providing him with such information and other assistance as he shall require and will pay his costs as he shall determine or in the absence of such determination such costs will be shared equally.

23.6 Nothing in the procedure set out in this Clause 23 shall in any way affect either Partner's right to terminate this Agreement in accordance with any of its terms or take immediate legal action.

24 FORCE MAJEURE

24.1 Neither Partner shall be entitled to bring a claim for a breach of obligations under this Agreement by the other Partner or incur any liability to the other Partner for any losses or damages incurred by that Partner to the extent that a Force Majeure Event occurs and it is prevented from carrying out its obligations by that Force Majeure Event.

24.2 On the occurrence of a Force Majeure Event, the Affected Partner shall notify the other Partner as soon as practicable. Such notification shall include details of the Force Majeure Event, including evidence of its effect on the obligations of the Affected Partner and any action proposed to mitigate its effect.

24.3 As soon as practicable, following notification as detailed in Clause 24.2, the Partners shall consult with each other in good faith and use all best endeavours to agree appropriate terms to mitigate the effects of the Force Majeure Event and, subject to Clause 24.4, facilitate the continued performance of the Agreement.

24.4 If the Force Majeure Event continues for a period of more than sixty (60) days, either Partner shall have the right to terminate the Agreement by giving fourteen (14) days written notice of termination to the other Partner. For the avoidance of doubt, no compensation shall be payable by either Partner as a direct consequence of this Agreement being terminated in accordance with this Clause.

25 CONFIDENTIALITY

25.1 In respect of any Confidential Information a Partner receives from another Partner (the "**Discloser**") and subject always to the remainder of this Clause 25, each Partner (the "**Recipient**") undertakes to keep secret and strictly confidential and shall not disclose any such Confidential Information to any third party, without the Discloser's prior written consent provided that:

25.1.1 the Recipient shall not be prevented from using any general knowledge, experience or skills which were in its possession prior to the Commencement Date; and

25.1.2 the provisions of this Clause 25 shall not apply to any Confidential Information which:

(a) is in or enters the public domain other than by breach of the Agreement or other act or omission of the Recipient; or

(b) is obtained by a third party who is lawfully authorised to disclose such information.

25.2 Nothing in this Clause 25 shall prevent the Recipient from disclosing Confidential Information where it is required to do so in fulfilment of statutory obligations or by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceedings or claim or otherwise by applicable Law.

25.3 Each Partner:

25.3.1 may only disclose Confidential Information to its employees and professional advisors to the extent strictly necessary for such employees to carry out their duties under the Agreement; and

25.3.2 will ensure that, where Confidential Information is disclosed in accordance with Clause 25.3.1, the recipient(s) of that information is made subject to a duty of confidentiality equivalent to that contained in this Clause 25;

25.3.3 shall not use Confidential Information other than strictly for the performance of its obligations under this Agreement.

26 FREEDOM OF INFORMATION AND ENVIRONMENTAL PROTECTION REGULATIONS

26.1 The Partners agree that they will each cooperate with each other to enable any Partner receiving a request for information under the 2000 Act or the 2004 Act to respond to a request promptly and within the statutory timescales. This cooperation shall include but not be limited to finding, retrieving and supplying information held, directing requests to other Partners as appropriate and responding to any requests by the Partner receiving a request for comments or other assistance.

26.2 Any and all agreements between the Partners as to confidentiality shall be subject to their duties under the 2000 Act and 2004 Act. No Partner shall be in breach of Clause 26 if it makes disclosures of information in accordance with the 2000 Act and/or 2004 Act.

27 OMBUDSMEN AND PROHIBITED ACTS

27.1 The Partners will co-operate with any investigation undertaken by the Health Service Commissioner for England or the Local Government Commissioner for England (or both of them) in connection with this Agreement.

27.2 Neither Partner shall do any of the following:

- a) offer, give, or agree to give the other Partner (or any of its officers, employees or agents) any gift or consideration of any kind as an inducement or reward for doing or not doing or for having done or not having done any act in relation to the obtaining of performance of this Agreement or any other contract with the other Partner, or for showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the other Partner; and
- b) in connection with this Agreement, pay or agree to pay any commission, other than a payment, particulars of which (including the terms and conditions of the agreement for its payment) have been disclosed in writing to the other Partner,

(together "**Prohibited Acts**" for the purposes of Clauses 27.2 to 27.6).

27.3 If either Partner or its employees or agents (or anyone acting on its or their behalf) commits any Prohibited Act or commits any offence under the Bribery Act 2010 with or without the knowledge of the other Partner in relation to this Agreement, the non-defaulting Partner shall be entitled:

- a) to exercise its right to terminate under clause 22 and to recover from the defaulting Partner the amount of any loss resulting from the termination; and
- b) to recover from the defaulting Partner the amount or value of any gift, consideration or commission concerned; and
- c) to recover from the defaulting Partner any loss or expense sustained in consequence of the carrying out of the Prohibited Act or the commission of the offence.

27.4 Each Partner must provide the other Partner upon written request with all reasonable assistance to enable that Partner to perform any activity required for the purposes of complying with the Bribery Act 2010. Should either Partner request such assistance the Partner requesting assistance must pay the reasonable expenses of the other Partner arising as a result of such request.

27.5 The Partners must have in place an anti-bribery policy for the purposes of preventing any of their staff from committing a prohibited act under the Bribery Act 2010. If either Partner requests the other Partner's policies to be disclosed then the Partners shall endeavour to do so within a reasonable timescale and in any event within 20 Working Days.

27.6 Should the Partners become aware of or suspect any breach of Clauses 27.2 to 27.6, it will notify the other Partner immediately. Following such notification, the Partner must respond promptly and fully to any enquiries of the other Partner, co-operate with any investigation undertaken by the Partner and allow the Partner to audit any books, records and other relevant documentation.

28 INFORMATION SHARING

28.1 The Partners will follow the Information Governance Protocol set out in schedule 7, and in so doing will ensure that the operation of this Agreement complies with the Law, in particular the 1998 Act.

29 NOTICES AND PUBLICITY

29.1 Any notice to be given under this Agreement shall either be delivered personally or sent by first class post or electronic mail. The address for service of each Partner shall be as set out in Clause 29.3 or such other address as each Partner may previously have notified to the other Partner in writing. A notice shall be deemed to have been served if:

- 29.1.1 personally delivered, at the time of delivery;
- 29.1.2 posted, at the expiration of forty eight (48) hours after the envelope containing the same was delivered into the custody of the postal authorities; and
- 29.1.3 if sent by electronic mail, at the time of transmission and a telephone call must be made to the recipient warning the recipient that an electronic mail message has been sent to

him/her (as evidenced by a contemporaneous note of the Partner sending the notice) and a hard copy of such notice is also sent by first class recorded delivery post (airmail if overseas) within one (1) Working Day as that on which the electronic mail is sent.

29.2 In proving such service, it shall be sufficient to prove that personal delivery was made, or that the envelope containing such notice was properly addressed and delivered into the custody of the postal authority as prepaid first class or airmail letter (as appropriate), or that the electronic mail was properly addressed and no message was received informing the sender that it had not been received by the recipient (as the case may be).

29.3 The address for service of notices as referred to in Clause 29.1 shall be as follows unless otherwise notified to the other Partner in writing:

29.3.1 if to the Council, addressed to the: Acting Divisional Director, Integrated Commissioning, Health, Adults and Community Services, London Borough of Tower Hamlets, 4th Floor, Mulberry Place, 5 Clove Crescent, London E14 2BG;

Tel: 020 7364 0497
Email: karen.sugars@towerhamlets.gov.uk

and

29.3.2 if to the CCG, addressed to: Alison Blair, Interim Director of Commissioning, 2nd Floor, Alderney Building, Mile End Hospital, Bancroft Road, E1 4DG;

Tel: 07960 214489
Email: Alison.blair3@nhs.net

29.4 Without prejudice to Clause 26, except with the written consent of the other Partner, (such consent not to be unreasonably withheld or delayed), the Partners must not make any press announcements in relation to this Agreement in any way.

29.5 The Partners must take all reasonable steps to ensure the observance of the provisions of Clause 29.4 by their staff, servants, agents, consultants and sub-contractors.

30 VARIATION

30.1 No variations to this Agreement will be valid unless they are recorded in writing and signed for and on behalf of each of the Partners subject to the Law and the Partners' Standing Orders and Standing Financial Instructions.

31 CHANGE IN LAW

31.1 The Partners shall ascertain, observe, perform and comply with all relevant Laws, and shall do and execute or cause to be done and executed all acts required to be done under or by virtue of any Laws.

31.2 On the occurrence of any Change in Law, the Partners shall agree in good faith any amendment required to this Agreement as a result of the Change in Law subject to the Partners using all reasonable endeavours to mitigate the adverse effects of such Change in Law and taking all reasonable steps to minimise any increase in costs arising from such Change in Law.

31.3 In the event of failure by the Partners to agree the relevant amendments to the Agreement (as appropriate), the Clause 23 (Dispute Resolution) shall apply.

32 WAIVER

32.1 No failure or delay by any Partner to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or of some other right to remedy.

33 SEVERANCE

33.1 If any provision of this Agreement, not being of a fundamental nature, shall be held to be illegal or unenforceable, the enforceability of the remainder of this Agreement shall not thereby be affected.

34 ASSIGNMENT AND SUB CONTRACTING

34.1 The Partners shall not sub contract, assign or transfer the whole or any part of this Agreement, without the prior written consent of the other Partners, which shall not be unreasonably withheld or delayed. This shall not apply to any assignment to a statutory successor of all or part of a Partner's statutory functions.

35 EXCLUSION OF PARTNERSHIP AND AGENCY

35.1 Nothing in this Agreement shall create or be deemed to create a partnership under the Partnership Act 1890 or the Limited Partnership Act 1907, a joint venture or the relationship of employer and employee between the Partners or render either Partner directly liable to any third party for the debts, liabilities or obligations of the other.

35.2 Except as expressly provided otherwise in this Agreement or where the context or any statutory provision otherwise necessarily requires, neither Partner will have authority to, or hold itself out as having authority to:

35.2.1 act as an agent of the other;

35.2.2 make any representations or give any warranties to third parties on behalf of or in respect of the other; or

35.2.3 bind the other in any way.

36 THIRD PARTY RIGHTS

36.1 Unless the right of enforcement is expressly provided, no third party shall have the right to pursue any right under this Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

37 ENTIRE AGREEMENT

37.1 The terms herein contained together with the contents of the Schedules constitute the complete agreement between the Partners with respect to the subject matter hereof and supersede all previous communications representations understandings and agreement and any representation promise or condition not incorporated herein shall not be binding on any Partner.

37.2 No agreement or understanding varying or extending or pursuant to any of the terms or provisions hereof shall be binding upon any Partner unless in writing and signed by a duly authorised officer or representative of the parties.

38 COUNTERPARTS

38.1 This Agreement may be executed in one or more counterparts. Any single counterpart or a set of counterparts executed, in either case, by all Partners shall constitute a full original of this Agreement for all purposes.

39 GOVERNING LAW AND JURISDICTION

- 39.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.
- 39.2 Subject to Clause 23 (Dispute Resolution), the Partners irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceedings, dispute or claim, which may arise out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

40 FINANCIAL CONTRIBUTIONS

HWB Funding Sources	2017/18 Gross Contribution	2018/19 Gross Contribution
Total Local Authority Contribution (exc IBCF)	£2,605,248	£2,766,695
Total IBCF Contribution	£8,657,393	£11,907,381
Total Minimum CCG Contribution	£19,141,806	£19,505,500
Total Additional CCG Contribution	£14,822,928	£14,450,833
Total BCF pooled budget	£45,227,375	£48,630,409

41 POOLED FUND MANAGERS

The lead role for overseeing this agreement will be played by the Director of Integrated Commissioning, expected to be appointed in 2017-18. At the time of the commencement of the agreement, the Pooled Fund Managers for each organisation are:

Partner	Name of Lead Officer	Address	Telephone Number	Email Address
Council	Karen Sugars	London Borough of Tower Hamlets, 4th Floor, Mulberry Place, 5 Clove Crescent, London, E14 2BG	020 7364 0497	karen.sugars@towerhamlets.gov.uk
CCG	Alison Blair	Interim Director of Commissioning, 2nd Floor, Alderney Building, Mile End Hospital, Bancroft Road, London E1 4DG	07960 214489	Alison.blair3@nhs.net

IN WITNESS WHEREOF this Agreement has been executed AS A DEED by the Partners on the date of this Agreement

THE CORPORATE SEAL of)
THE LONDON BOROUGH OF)
TOWER HAMLETS)
was hereunto affixed in the presence of:)

Signed for on behalf of **NHS TOWER
HAMLETS CLINICAL COMMISSIONING
GROUP**

Authorised Signatory

SCHEDULE 1– SCHEME SPECIFICATION

Part 1– Template Services Schedule

Unless the context otherwise requires, the defined terms used in this Scheme Specification shall have the meanings set out in the Agreement.

1 OVERVIEW OF SERVICES

1.1 Context and background information

Tower Hamlets has a rapidly growing resident population of 304,900 people – the GLA estimates that it will rise, to 364,500 in 2026 - with a number of distinctive features that impact directly on health and social care services. These include the following:

- An unusually young age profile: the borough's population has the fourth youngest median age in the UK, at 30.6, and nearly half of our population is aged 20-39. Only 6% (18,000) of the population is over 65.
- A diverse ethnic composition, with widely divergent age profiles between the White British and Bangladeshi populations, the two largest ethnic groups. Over one third of the Bangladeshi population is aged below 16, compared with only 9 per cent of White British residents. Conversely, only 5% of Bangladeshi residents are aged 60 or over, compared with 16 per cent of White British residents.
- Both male and female life expectancy are shorter than the national averages (male life expectancy is 78.1 years and female life expectancy is 82.5). On average, a man living in the borough starts to develop health problems from the age of 54, compared to 64 in the rest of the country. For a woman, it is 56, compared to 64. The annual GP consultation rate for adults aged 50-64 in the most deprived parts of the borough is up to twice as high as in wealthier parts of the country.
- While residents aged 90+ are by far the smallest group in number, this group is expected to nearly double over the next decade, growing faster than any other.
- Compared to London, when adjusted for age, Tower Hamlets has amongst the highest premature death rates for circulatory disease (103.3 per 100,000), cancer (150.9 per 100,000), and respiratory disease (40.4 per 100,000). These conditions typically constitute 75% of all premature deaths.
- Around 1,000 Tower Hamlets residents die per year, of whom around 780 will need some form of last years of life care.
- 19,356 people identified themselves as unpaid carers in the 2011 census. 43.5% of Carers provide more than 20 hours of care per week, compared to 36.9% in London and 36.4% across England. Nevertheless, the bi-annual carers' survey of 2017 found that carer satisfaction has increased significantly over the last three years, with 64% of respondents stating they are extremely, very or quite satisfied with support or services.

Integrated Care

The Tower Hamlets integrated care programme was established in 2013 as one of the pilot sites of the national Integrated Care Pioneer programme. Since 2013 we have been working with health and care providers in the borough to transform the way services are organised to better meet the needs of people who are frail and/or have multiple conditions and, as such, are at risk of an emergency hospital admission.

In 2015 these providers formed Tower Hamlets Together, a Multi-Speciality Community provider, working in partnership to deliver a new model of care for adults with complex needs, a model of care for children and young people, and the development of a population health programme that focuses on prevention. These new models of care will ensure that people have their care coordinated around their needs and that resources are used effectively to match individual and population needs. The new models will also help more vulnerable patients receive care in their own homes, limiting time spend in hospital away from family and friends. In 2017-18 we are using the Better Care Fund programme as a platform for developing closer joint working between Tower Hamlets Council and the Clinical Commissioning Group to strengthen this partnership approach to integrated care, reduce duplication in the way that services are delivered, and ensure that our joint approach to commissioning improves patients' experience, delivers improvements in health and wellbeing, and provides value for money.

1.2 Scheme Objectives

The strategic objectives for each individual scheme are as follows:

LBTH Hosted Schemes	
Service/Scheme	LinkAge Plus
Commissioner Lead	CCG
Annual Budget 17/18	£643,739
Annual Budget 18/19	£643,739
Objectives	<p>This is a preventative service which will support this vision by providing Tower Hamlets residents aged 50 and over universal access to:</p> <ul style="list-style-type: none"> - Community outreach; - A wide range of physical and social activities; - Information and low level Advice, including signposting and onward referrals as required; and - A range of health-related services.
Reablement Team	
Service/Scheme	Reablement Team
Commissioner Lead	LBTH
Annual Budget 17/18	£2,457,079
Annual Budget 18/19	£2,503,763
Objectives	<p>To help people mitigate illness or disability, by learning or re-learning the skills necessary for daily living, following deterioration in health and/or an increase in support needs.</p> <p>To promote and optimise independent functioning, and help people to do as much for themselves as possible, and in particular:</p> <ul style="list-style-type: none"> - Improving their quality of life - Keeping and regaining skills, especially those enabling people to live independently - Regaining or improving confidence (e.g. for someone who has had a fall) - Increasing people's choice, autonomy, and resilience - Enabling people to be able to continue living at home <p>The service also seeks to ensure:</p> <ul style="list-style-type: none"> - The safe transfer of support between acute care, community health and social care services and to support service users' return to independent living - The prevention of unnecessary hospital admissions and the facilitation of early supported discharge - To the provision of information and onward referral to other services, so that users/patients and their carers can make choices about support needs - The prevention of premature admissions to residential and nursing care. <p>The service also has the following organisational objectives:</p> <ul style="list-style-type: none"> - To reduce admissions and readmissions - Financial benefits, in the form of reduced support packages required post-reablement - A sustainable reduction in medium-term support packages, 6-12 months post-reablement.
Community Health Team (Social Care)	
Service/Scheme	Community Health Team (Social Care)
Commissioner Lead	LBTH
Annual Budget 17/18	£911,529
Annual Budget 18/19	£928,848
Objectives	<p>The strategic objective of the scheme is to improve the experience and outcomes for people at medium or high risk of hospital admission, using co-ordinated, person-centred and Multi-Disciplinary Team (MDT)</p>

	<p>approaches.</p> <p>The scheme aims to:</p> <ul style="list-style-type: none"> - Improve partnership working and joint decision making, with earlier referral to, and intervention from, social care. - Provide joint and coordinated multi-disciplinary assessments and person-centred planning, which involves service users and their families from the outset. - Provide early support and information provision to service users and their families to enable them to make informed decisions about care options in the community, with the aim of delaying/preventing the need for long term care provision. - Provide greater continuity and standardisation of community assessment and integrated interventions. - Provide earlier identification and support to carers, thereby preventing carer breakdown and the need for crisis response.
Service/Scheme	7 Day Hospital Social Work Team
Commissioner Lead	LBTH
Annual Budget 17/18	£1,252,831
Annual Budget 18/19	£1,276,634
Objectives	<p>The 7 day Hospital Social Work Team expedites the discharge of patients for the Royal London Hospital. It has enabled the council to extend the work of the Hospital Discharge Team at the Royal London Hospital from a Monday to Friday to a 7-day service. Social work staff are available at weekends and on public holidays to assess and discharge patients on acute wards who are deemed medically fit for discharge. This has freed up acute beds within the hospital, and allowed for resources to be used more effectively. It has also provided greater capacity for new admissions from A&E requiring an acute bed.</p> <p>The scheme aims to:</p> <ul style="list-style-type: none"> - Reduce hospital stays for patients, by facilitating speedier discharges, through appropriate interventions. - To improve performance in the area of Delayed Transfers of Care, by increasing, patient flow and reducing trolley rates. - Prevent admission for those without acute medical need and deal with inappropriate delayed discharges for people who require short term admission.(AAU) - Reduce pressure on acute beds by preventing unnecessary hospital admissions.
Service/Scheme	Community Equipment Services
Commissioner Lead	LBTH
Annual Budget 17/18	£2,160,026
Annual Budget 18/19	£2,175,575
Objectives	<p>Community Equipment Services in Tower Hamlets include:</p> <ul style="list-style-type: none"> • Community equipment Service • Tele care service • Assistive Technology • Sight and Hearing <p>The Community Equipment Service procures stores, delivers, installs, maintains, collects, cleans and recycles daily living, paediatric, moving & handling and sensory impairment equipment, and carries out minor adaptations and alterations to property.</p> <p>The Telecare Service provides a range of front-line services that include:</p>

	<p>Referral processing, Alarm installation, Alarm call monitoring, Emergency Visiting Response and a Regular Visiting Service. The Service operates 24/7 365 days a year.</p> <p>The service is also the first point of contact for Social Care referrals received Out of Hours, and is responsible for taking referrals relating to Children and Adults Social Care; on behalf of the Out of Hours Emergency Duty Team,</p> <p>Assistive technology delivers and fits a range of innovative technology to residents which enables them to remain at home and independent with sustained life choices, the focus is on prevention and a reduction in hospital admission and readmission</p> <p>The strategy arm of the team raise awareness among health and social care professionals through training and reinforcing of good practice at team level</p> <p>The Sight and Hearing service helps anyone who is deaf, blind, suffers from hearing loss, visual loss or a dual sensory loss. The service provides social work support, general information and advice, rehabilitation training and equipment to encourage independent living skills. Work is undertaken with individuals apart from the self-assessment which would need to be re-evaluated in light of any changes and the low vision clinic which is external to the contractual arrangements.</p> <p>7-Day Community Equipment Provision Team</p> <p>This scheme will permit community equipment services to be provided to people able to leave hospital for longer hours on a 7 days a week basis. Community Equipment Service personnel will be available to receive requisitions for simple aids to living and complex pieces of equipment, such as hoists, special beds, pressure care, hand rails and so on via dedicated secure electronic faxes, telephone calls and secure emailing.</p> <p>The service will:</p> <ul style="list-style-type: none"> • avoid unnecessary admissions and trips to A&E, by providing emergency deliveries, repair and replacement of hoisting, special beds and mattresses and other essential toileting and mobility equipment over extended hours. • support hospital teams to carry out safer discharges by providing an out of hours service • minimise and prevent readmissions and Delayed Transfer of Care (DTC). • facilitate safe, integrated and seamless transfer of patients between hospital, community health and social care services.
<p>Management of the Pooled Fund</p>	<p>This Pooled Fund will be managed as in the Agreement, with the following changes in the treatment of overspends and underspends. In continuation of previous arrangements governing the pooled Fund relating to Integrated Community Equipment Services, the treatment of overspends and underspends shall be as follows:</p> <p>1. Overspends</p> <p>1.1. It is expected that the Services shall be managed within the Pooled Fund. Arrangements to prevent and address predicted overspends will be the responsibility of the Host Partner, based on timely information from the Pool Manager and in consultation with the Joint</p>

	<p>Commissioning Executive (or delegated representatives).</p> <p>1.2. Whenever during a Financial Year an overspend in the Pooled Fund is projected the Pool Manager will notify the Partners within five working days, following which the Partners shall agree how to manage the overspend and the Partners shall act in good faith and in a reasonable manner in agreeing the management of the overspend.</p> <p>1.3. Where an overspend is incurred because of maladministration of the Pooled Fund, the liability for this will rest with the Host Partner. For the purposes of this clause, maladministration shall be deemed to include (without limitation) expenditure outside the terms of this Agreement and without proper authorisation.</p> <p>1.4. Where an overspend occurs and is not due to maladministration and liability will be shared between the Partners in proportion to their Contributions to the Pooled Fund (for this Service) in that Financial Year.</p> <p>1.5. In the event that agreement cannot be reached in respect of any of the matters referred to in this clause 1.1 then the partners shall follow the dispute procedure set out in Clause 23 of this agreement.</p> <p>2. Underspends</p> <p>2.1. Whenever an underspend is projected during a Financial Year in respect of the Pooled Fund the Pool Manager will notify the Partners within five working days of such projection being calculated following which the Partners shall agree to how to manage the underspend and the Partners shall keep the position under review. The Partners may agree that the underspend may be used to fund new initiatives for the benefit of the Client Group in accordance with agreed priorities and subject in either case to the Partners' respective financial governance rules, legislation or guidance. The Partners shall act in good faith and in reasonable manner in agreeing the management of the underspend.</p> <p>2.2. If at the end of any Financial Year there is an underspend in the Pooled Fund the Pool Manager shall identify to the Partners the reasons for the underspend. The underspend shall be apportioned between the Partners in proportion to the Contributions to the Pooled Fund.</p> <p>2.3. In the event that agreement cannot be reached in respect of any matters referred to in paragraphs 2.1 and 2.2 above, the Partners will follow the dispute procedure as set out in Clause 15.</p>
Service/Scheme	Care Act Implementation
Commissioner Lead	LBTH
Annual Budget 17/18	£746,120
Annual Budget 18/19	£760,296
Objectives	<p>The council will ensure the necessary infrastructure is in place which supports a full statutory carer assessment. The assessment will be based on the same principles as the one for the people cared for and will be compliant with the Care Act 2014. Under the Care Act 2014, carers have the same rights as people cared for and it is expected a significant cohort will end up requiring care package support.</p> <p>A number of posts will continue to be funded to ensure the council is managing the demands and pressures experienced in Adult Social Care. These posts include operational support, strategic commissioning and workforce development.</p>
Service/Scheme	Carers' Duties
Commissioner Lead	LBTH
Annual Budget 17/18	£709,476
Annual Budget 18/19	£722,956
Objectives	The joint Carers' Strategy has identified a number of priorities we should be delivering, either via current internal or commissioned services.

	<p>Through co-designing, the council is committed to ensuring that as many of these priorities as possible will be addressed to minimise shortfalls that carers have said they are experiencing or have already experienced.</p> <p>This strategy aims to ensure that carers are respected; that they have access to good quality information, access the services and support they need to care for their relative or friend, and have a life of their own.</p> <p>The council commissions the Carers' Centre to provide information, advice and guidance services for carers and other providers to access as the first point of call. The council also provides carer-associated support, such as assessments, care packages, respite services, flexible breaks for the various carer groups and ensuring the necessary infrastructure is in place.</p> <p>The strategic objective of the scheme is to help carers to care effectively and safely – both for themselves and the person they are supporting.</p> <p>Since the transfer of safeguarding duties from health to the local authority, the demand for such Independent Mental Health Advocacy (IMHA) and Independent Mental Capacity Advocacy (IMCA) services has increased significantly. The funding will ensure the authority meets its statutory obligations.</p>
Service/Scheme	Disabled Facilities Grant
Commissioner Lead	LBTH
Annual Budget 17/18	£1,733,988
Annual Budget 18/19	£1,895,435
Objectives	<p>Expenditure of the 2017-18 DFG will centre on meeting the council's duties to provide adaptations and facilities in the homes of disabled people, as set out in the Housing Grants, Construction and Regeneration Act, 1996.</p> <p>The council provides services to clients requiring adaptations through its Occupational Therapist service and Home Improvement Agency. It works closely with Registered Providers which own the majority of social housing in the borough. The tenants of the borough's Registered Providers account for around 75% of DFG expenditure. This spend reflects the relatively low level of owner occupied housing in the borough.</p> <p>Types of work eligible for Grant funding are:</p> <ul style="list-style-type: none"> - To make it easier to get into and out of a dwelling, for example, by widening doors and installing ramps; - Ensuring the safety of a disabled person, for example, by improving lighting to ensure better visibility; - Improving access within a dwelling - including making facilities such as toilets, washbasins and bath (and/or shower) facilities more accessible or by installing appropriate facilities; - The improvement or provision of a domestic heating system, which is suitable to the needs of the disabled person; - To improve access to and from the garden of the home. <p>DFG will be used to:</p> <ul style="list-style-type: none"> • decrease hospital admissions as a result of slips, trips and falls in the home. (The adaptations enable qualifying residents to remain safe in their homes.) • increase in general well-being – The adaptations provided allow

	<p>people to be more independent in their homes.</p> <ul style="list-style-type: none"> • ensure disabled residents have safe access in and around their homes and access to facilities. • Provision of AT equipment to ensure residents remain safe in their homes.
Service/Scheme	Local Authority Integration Support (Enablers)
Commissioner Lead	LBTH
Annual Budget 17/18	£211,723
Annual Budget 18/19	£215,745
Objectives	<p>The scheme aims to ensure:</p> <ul style="list-style-type: none"> - The programme management of BCF-funded initiatives in the council - High level management support for strategic decision making on health and social care integration - Coordination of the council's input to partnership arrangements, such as the Health and Wellbeing Board, the Complex Adults Working Group, Tower Hamlets Together, and Transforming Services Together (TST) - Manage health and social care partnership governance and planning arrangements within the council - The preparation of dashboards and monthly monitoring of performance measures for internal and external teams and partnerships - Provide advice and guidance to scheme managers to strengthen integration work with health.
Service/Scheme	Community Outreach Service (Dementia)
Commissioner Lead	LBTH
Annual Budget 17/18	£55,984
Annual Budget 18/19	£57,047
Objectives	<p>The BME Inclusion service provides community-specific input to BME communities, in order to support people to understand dementia, break down stigma and access services. It does this by undertaking awareness raising at culturally-specific community networks; case finding and building relationships with people with dementia who may be hard to reach; case management through one to one support prioritised to those with the highest needs, and working with GP practices with high patient numbers from Bangladeshi and other BME communities where there is a lower than expected dementia diagnosis rate.</p> <p>The objective of this service is to address the particular issues preventing people with dementia from BME communities from accessing services. Getting a diagnosis of dementia enables people to access services and plan for the future, thereby avoiding admissions in crises to both health and social care services. However, there are significant barriers to people from BME communities getting a diagnosis, as there are strong stigmas associated with dementia, with it being perceived as 'madness', and often hidden by families until the point of breakdown.</p> <p>The scheme aims to:</p> <ul style="list-style-type: none"> - Increase the proportion of people from Bangladeshi and other BME communities with dementia receiving a formal diagnosis. - Increase the proportion of people from Bangladeshi and other BME communities with dementia receiving a diagnosis while they are in the early stages of the condition. - Identify and support hard- to-reach individuals with dementia and their carers to access services - Provide access to information and guidance - Support people with dementia, their carers and/or family members to access help and services and to experience an integrated range of

	<p>services that includes access to health and care professionals and other voluntary organisations</p> <ul style="list-style-type: none"> - Reduce or prevent social isolation experienced - particularly by reducing the stigma associated with dementia. - Increase community awareness and acceptance of dementia - Contribute to shifting from crisis-driven engagement with services to a more preventative focus - Increase the engagement of local people with NHS and statutory services.
Service/Scheme	Dementia Café
Commissioner Lead	LBTH
Annual Budget 17/18	£25,447
Annual Budget 18/19	£25,930
Objectives	<p>The objective of the Dementia Café service, provided by the Alzheimer's Society, is to help people with dementia to live well following diagnosis. Dementia Cafés provide a safe, comfortable and supportive environment for people with dementia and their carers to socialise.</p> <p>The café seeks to meet the following outcomes:</p> <ul style="list-style-type: none"> - Greater community acceptance of dementia through the provision of socially acceptable and culturally sensitive services - To contribute to the overall policy driver of shifting from crisis-driven engagement with services to a more preventative focus - To increase the engagement of local people with NHS and statutory services - That people with dementia, their carers and/or family members are supported to access help and experience in an integrated fashion, including access as required to health and care professionals and voluntary organisations - People with dementia and their carers and/or family members feel that they have received beneficial emotional support from their peers - People with dementia and their carers and or family members feel that the service has helped to reduce or prevent social isolation, particularly by reducing the stigma associated with dementia - That, as a result of high quality access to information, service users and carers gain a better understanding of dementia and the dementia pathway in Tower Hamlets - Increased access to services - service users and carers indicate a higher take-up rate of other local services.
Service/Scheme	Social Worker Input into the Memory Clinic
Commissioner Lead	LBTH
Annual Budget 17/18	£50,895
Annual Budget 18/19	£51,862
Objectives	<p>The scheme provides:</p> <ul style="list-style-type: none"> - An early assessment of service users in need of social care support. - Early signposting to other non-statutory agencies for those not in need of social care input. - Efficiencies, by reducing the number of referrals made directly to Adult Social Care (Assessment and Intervention Team) - A more seamless service for service users, reducing the number of changes of key workers for the service user and family. <p>It seeks to minimise the time a service user may be on the dementia diagnosis pathway if their needs are more likely caused by social care issues, depression or family dynamics and are mimicking deficits in day-</p>

	<p>to-day functioning.</p> <p>With the input of a Social Worker at an earlier stage in the pathway, the Memory Clinic can signpost or provide appropriate support in a more timely fashion. The social worker offers community assessments under the Care Act (2014), carer's assessments, organises provision of packages of care, signposting and offer advice, information and support. The presence of social work input into the team also enhances the MDT planning process.</p>
Service/Scheme	Improved BCF
Commissioner Lead	LBTH
Annual Budget 17/18	£8,657,393
Annual Budget 18/19	£11,907,381
Objectives	<p>IBCF is being used by the council to address a number of high priority needs, including demographic pressures, safeguarding and ethical care and to meet inflationary pressures within the care system.</p> <p>To strengthen the stability and sustainability of the provider market, it is also proposed to increase nursing home provision in the borough. This will complement already agreed uplifts in care funding to improve the quality of residential/nursing provision and wider support in the community, such as enhancing home care linked to hospital discharge and improving reablement approaches in day support.</p> <p>Further investment of approximately £1.4m in a full year is being made that will benefit health services in the borough. This includes provision to enhance capacity and skills in the Community Health Social Work team to increase the number of people it is able to support on the integrated care pathway. It also includes the enlargement of the Hospital Social Work Team to get more people home quickly and safely and reduce the need for residential placements. In addition, the IBCF is being used to fund social work support to strengthen the continuing healthcare process.</p> <p>A number of initiatives are being funded that are designed to address unmet need in mental health services. These include projects targeted young people transitioning from children's services to adults' and working with people at risk of anti-social behaviour. For instance, a Community Multi-Agency Risk Assessment Case Conference, MARAC, is being established, along with an Independent Anti-Social Behaviour Victim Advocate post. A scheme for people at risk of self-neglect and self-harming behaviours is also being funded.</p> <p>A number of areas of unmet need and services experiencing demand pressures will also be supported via IBCF. Initiatives include a project to reduce isolation among vulnerable older people. Additional resources are also being directed to the reablement service to address rising demand, and a significant sum has been allocated to commission additional support to address assessment and review backlogs in adult social care. Finally, the IBCF is being used to support the implementation of a number of adult social services transformation initiatives.</p>
CCG Hosted Schemes	
Service/Scheme	Integrated Community Health Team (incorporating Extended Primary Care Team)
Commissioner Lead	CCG
Annual Budget 17/18	£13,235,986
Annual Budget 18/19	£13,245,567
Objectives	The Integrated Community Health Team provides health and social care input to housebound patients over the age of 18. The service offers a

	<p>comprehensive range of specialities within one multi-disciplinary team, including nursing, therapies, social care, mental health and case management.</p> <p>.</p> <p>Services include:</p> <ul style="list-style-type: none"> • Extended Primary Care Teams • Frailty Assessment Clinic • Rapid Response Team • Community Rehabilitation Service • Continuing Healthcare Team • Foot Health • Continence Team • District Nursing Evening Service <p>The scheme aims to:</p> <ul style="list-style-type: none"> • Provide integrated nursing and therapy care services across the locality, ranging from a 2-hour response service to avoid admission to complex case management and promoting self-care • Systematically identify adults in Tower Hamlets who are most vulnerable/at risk of hospitalisation and provide support and care to these patients which is coordinated and multidisciplinary in approach • Reduce non-essential use of A&E and unplanned admissions • Reduce readmission rates within 30 days of discharge from any acute setting • Assess and support people with long term conditions in the community, promoting self-management and enabling patients to regain or maintain functional independence and restore confidence within a set timeframe • Involve patients/service users and carers in planning and providing care; • Facilitate carer assessment (either by completing the assessment or by referring to other agencies to carry out carer assessment); • Ensure continuing health care assessment and reviews are completed in line with defined timescales • Seek to improve health outcomes for the population through strong clinical leadership and governance and ensure productivity, innovation and efficiency are core service deliverables.
Service/Scheme	Integrated Clinical and Commissioning Quality NIS
Commissioner Lead	CCG
Annual Budget 17/18	£4,461,313
Annual Budget 18/19	£4,461,313
Objectives	<p>The over-arching aim of this Network Incentive Scheme (NIS) is to support high quality primary care for patients with one or more long-term conditions. This scheme aims to provide holistic, person-centered, packages of care that support partnership work with patients, their families and carers.</p> <p>The scheme also supports the development of a 'learning health system' within primary care, under the following principles:</p> <ul style="list-style-type: none"> - Every consenting patient's experience is available for learning - Best practice is immediately available to support decisions - This happens routinely, economically and accessibly. <p>It also funds the GP element of engagement, both with specialist consultants (e.g. the 'diabetes MDT' and practice level meetings with practice-aligned psychiatrists and system-level involvement, such as</p>

	locality commissioning and Locality Health and Wellbeing Boards).
Service/Scheme	RAID (Rapid assessment, interface & discharge)
Commissioner Lead	CCG
Annual Budget 17/18	£2,144,124
Annual Budget 18/19	£2,184,862
Objectives	<ul style="list-style-type: none"> - Improve health outcomes for patients with a mental health or drug or alcohol problem who have been admitted to wards at the Royal London Hospital - Reduce length of stay for patients with a mental health or drug or alcohol problem who are admitted to wards at the Royal London Hospital - Reduce readmissions for patients with a mental health or drug or alcohol problem who have been admitted to wards at the Royal London Hospital - Reduce re-attendances at A&E by patients with a mental health or drug or alcohol problem who have been admitted to wards at the Royal London Hospital - Improve the experience of patients with a mental health or drug or alcohol problem who have been admitted to wards at the Royal London Hospital or attend A&E - Reduce direct admissions to care homes by people with a mental health or drug and alcohol problem - Improve Royal London Hospital staff awareness, skills and knowledge in mental health and drugs and alcohol - Improve in the identification of hidden harm among families related to drug or alcohol.
Service/Scheme	Autism Diagnostic and Intervention Service
Commissioner Lead	LBTH
Annual Budget 17/18	£335,907
Annual Budget 18/19	£342,289
Objectives	<p>The aims of this service are to:</p> <ul style="list-style-type: none"> - Provide a high quality diagnostic and intervention service for high functioning adults in Tower Hamlets (aged 18 years and over) with suspected Autism Spectrum Disorder (ASD). - Sub-contract a local Third Sector provider (JET) to provide a range of support options for people diagnosed with ASD, and facilitate appropriate referral and signposting to other services where needed. - Deliver a diagnostic service for adults (18+) who may have ASD (including Asperger's Syndrome) for whom no care pathway currently exists (those who have a co-existent learning disability are diagnosed by the community learning disability team) - Deliver a service for reviewing patients already diagnosed with ASD where an expert review and re-signposting is needed. - Deliver a timely diagnosis to those who may present with ASD behavioural conditions and symptoms - Deliver a virtual service that incorporates the best clinical practice with regard to adults with ASD - Provide post diagnosis support and brief interventions for adults with ASD - Provide clear pathways and signposting to other local services, and support for adults with ASD to access those services - Provide a community focused model that promotes greater opportunity for support within the community for people with ASD - Provide a model of care that actively supports principles of non-discriminatory practice and service delivery and avoids unnecessary and disruptive transitions across a range of providers - Ensure recognition of the role of those with caring and parental responsibilities and (with permission of the person with ASD) to ensure

	<p>their participation in discussions and decisions whenever possible.</p> <ul style="list-style-type: none"> - Provide clear pathways and signposting to other local services, and support for adults with an alternative diagnosis to ASD.
Service/Scheme	Mental Health Recovery College
Commissioner Lead	CCG
Annual Budget 17/18	£111,969
Annual Budget 18/19	£114,096
Objectives	<p>The Recovery College model complements health and social care specialist assessment and treatment, by helping people with mental health problems and/or other long term conditions to understand their problems and to learn how to manage these better in pursuit of their aspirations.</p> <p>It will promote:</p> <ul style="list-style-type: none"> - The delivery of a planned, co-produced and co-delivered learning programme covering a range of mental health and physical health-related topics that provides education as a route to recovery, and foster increased resilience and self-management. - Collaboration and co-production between people with personal and professional experience of mental health challenges; and provide an educational approach operating on college principles. It will use strengths-based and person-centred approaches that are inclusive, aimed at people with mental health and physical health challenges, their relatives and carers and staff; and focused on mental health recovery and helping people reach their own goals. - Increased use of scheduled care and decreased use of episodic care - Decreased or better managed symptoms of mental ill health - Improved mental health wellbeing.
Service/Scheme	Community Geriatrician Team
Commissioner Lead	CCG
Annual Budget 17/18	£117,058
Annual Budget 18/19	£119,282
Objectives	<p>Funding will be maintained to increase the capacity of the existing Community Geriatrician Team (part of the Integrated Community Health Team) to enable additional caseload and more effective Multi-Disciplinary Team working. The purpose of the role is to provide specialist input to both practitioners and patients in the community. This includes work such as attending community MDT meetings, delivering training for General Practice staff (via PLT sessions) and undertaking ad-hoc visits for housebound patients.</p>
Service/Scheme	Personalisation (Integrated Personalised Commissioning Programme)
Commissioner Lead	CCG
Annual Budget 17/18	£125,000
Annual Budget 18/19	£125,000
Objectives	<p>It is a fundamental part of Tower Hamlets' vision that care and support should be personalised to patients' and service users' needs and preferences, in order to enable patients to feel more empowered and resilient, and this is a core part of the work under the BCF. Tower Hamlets is a demonstrator site for Integrated Personal Commissioning, and 2017-18 will see the expansion of personal health budgets and joint budgets with social care for people with learning disabilities, mental health needs and multiple long term conditions. The targets for 2017-18 are 1,500 personalised care and support plans, with the offer of a</p>

	<p>personal health budget, resulting in 300 personal health budgets or joint budgets. In 2018-19 the expectation is that we will achieve 3,000 personalised care and support plans and 600 personal health budgets or joint budgets. The borough will seek to:</p> <ul style="list-style-type: none"> - Improve the quality of life for people with complex needs, by providing personalised and joined up health and social care for adults with complex needs, and children with complex health, social care and educational needs - Integrate the offer of personal health and care budgets to support personalised care planning and the delivery of personalised care.
Service/Scheme	Psychological Support for People with LTCs
Commissioner Lead	CCG
Annual Budget 17/18	£153,000
Annual Budget 18/19	£153,000
Objectives	<p>The service will pilot enhanced psychological care for people with poorly controlled long term conditions in general practice in Tower Hamlets. The objectives of the service are:</p> <ul style="list-style-type: none"> - To support all primary care staff to detect psychological distress and mental health problems in people with long term conditions and to support them to access mental health care at the right level - To improve the ability of all primary care staff to support people living with long term conditions to self-care for their conditions by promoting and supporting lifestyle behaviour change and treatment adherence as part of care planning processes. - To offer direct psychological work to decrease psychological distress in people with poorly controlled long term conditions to improve emotional wellbeing and health outcomes.
Service/Scheme	Specialist Palliative Care (St Joseph's)
Commissioner Lead	CCG
Annual Budget 17/18	£2,029,248
Annual Budget 18/19	£2,029,248
Objectives	<ul style="list-style-type: none"> - To provide high quality, efficient and effective Specialist Palliative Support for Last Years, Months and Days of Life Care through a trained and competent workforce - To use a multi-disciplinary approach to care with access to the full multi-disciplinary team as defined by NICE Supportive and Palliative Care Guidelines - To advise and support nurses, doctors, GP's and other members of the wider health and social care team providing care to the patient and their carer/family - To provide timely and appropriate care based to patients and their carers on best practice guidelines and using competent, trained staff - To be responsive to specific needs relating to patients' age, gender, disability, race, religious and cultural beliefs and sexual orientation - To provide a resource for generic staff in providing Specialist Palliative Support for Last Years, Months, Days of Life Care - To deliver care along appropriate pathways and against agreed productivity targets.
Service/Scheme	Voices2 Survey
Commissioner Lead	CCG
Annual Budget 17/18	£30,000
Annual Budget 18/19	£30,000
Objectives	- This survey provides create an annual measure of carers' experiences

	<p>that can be monitored over time, and compared with the national average and with other CCGs</p> <ul style="list-style-type: none"> - To identify both factors in both positive and poor experience and use this information to improve services. - To identify any gaps in the system or areas for improvement. - To identify good practice and share learning - To systematise the process for capturing feedback for experiences in the last years of life – taking into account the demography of the local population.
Service/Scheme	Age UK Last years of Life
Commissioner Lead	CCG
Annual Budget 17/18	£91,500
Annual Budget 18/19	£91,500
Objectives	<ul style="list-style-type: none"> - To work closely with hospitals and GP's in Tower Hamlets to identify people for service input; - To engage socially isolated people who may be reluctant to accept help and support - particularly from the statutory sector; - To signpost and refer people into support services provided by local NHS, local Government and voluntary sector at the earliest opportunity; and - Work with other service providers to provide seamless care. - Needs assessment <ul style="list-style-type: none"> o Understand people's requirements in their last years of life. - Support <ul style="list-style-type: none"> o Provide a befriending service; o Provide practical help in the home that is not covered by social services; o Provide carer's support enabling the carer to have short term 'care-free' time; (i.e. a few hours per week); and o Provide holistic support e.g. therapeutic services - Prevention <ul style="list-style-type: none"> o To protect the health and wellbeing of both cared for people and their carers through befriending, practical and emotional support - Patient / care experience <ul style="list-style-type: none"> o To improve the experience of service users and their carers; - To generate feedback from carers and cared for people on their needs and the degree to which local services are accessible, equitable and appropriate.
Service/Scheme	Barts Acute Palliative Care Team
Commissioner Lead	CCG
Annual Budget 17/18	£959,086
Annual Budget 18/19	£959,086
Objectives	<ul style="list-style-type: none"> -Specialist advice about symptom control as well as psychological and social support to patients, families, carers and staff. -In the early stages of illness, palliative care may be provided alongside other active treatments. -For patients at the end of their life the service aims to provide appropriate end of life care to ensure comfort and dignity in death. -Provides families, partners and carers expert support in bereavement. -Support end-of-life patients dying in their preferred place of care -Ensure actively dying inpatients referred to the specialist palliative care team for assessment and management -Ensure actively dying inpatients that are referred to specialist palliative care are seen within one working day unless in an emergency -Ensure actively dying patients nursed via the Compassionate Care plan (CCP)

Service/Scheme	Admission Avoidance & Discharge Service (incorporating Discharge to Assess)
Commissioner Lead	CCG
Annual Budget 17/18	£927,954
Annual Budget 18/19	£850,955
Objectives	<p>A pilot for a discharge to assess model was funded in 2015/16. Further operational resilience funding has been provided from September 2016 to March 2018 for the Admission Avoidance & Discharge Service (AADS), which incorporates the Discharge to Assess model for patients at the Royal London Hospital.</p> <p>The community service operates 7 days per week from 8am-6pm, with up to 6 weeks' input. The team takes a proactive and responsive approach to discharge and aims to triage patients within 2 hours of referral. Since July 2017, patients who are expected to return to their usual place of residence, who have had a positive checklist, are awaiting a continuing health care assessment (DST) and are expected to return to their usual place of residence can have this assessment completed at home.</p>
Service/Scheme	Age UK Take Home and Settle
Commissioner Lead	CCG
Annual Budget 17/18	£114,000
Annual Budget 18/19	£114,000
Objectives	<p>The Take Home and Settle scheme provides a 7-day service, working closely with health and social care to support and deliver integrated and co-ordinated care to older people and their carers across Tower Hamlets. It is available to patients aged 50+ who are registered with a GP within the London Borough of Tower Hamlets. It prioritises those who live alone, are socially isolated, or are at risk of readmission. The scheme aims to achieve its objectives by:</p> <ul style="list-style-type: none"> - Delivering practical support to those patients at risk of admission or re-admission to hospital (e.g. adults with at least one long term condition; those living with dementia). - Reducing delayed transfer of care across Royal London and Mile End Hospital. - Preventing unnecessary admissions through A&E, by providing practical and emotional support to patients. - Working closely with health and social care to improve patient experience, reduce costs and reduce the number of occupied bed days, by providing practical support to older people. - Reducing avoidable re-admissions within a 28-day period through the lack of practical support at home. - Proactively engaging with NHS re-enablement.
Service/Scheme	Tower Hamlets CVS Commissioning Development Programme
Commissioner Lead	CCG
Annual Budget 17/18	£70,000
Annual Budget 18/19	£0
Objectives	<p>The objective is to build the capacity of the sector to respond to the changing commissioning landscape in health and social care and enable it to become partners in the delivery of improved health and well-being for the residents of Tower Hamlets.</p> <p>Capacity building is aimed at 4 distinct areas:</p> <ul style="list-style-type: none"> - Supporting the VCS consortium during its first year of delivery, seeking

	<p>other opportunities & sources of investment</p> <ul style="list-style-type: none"> - Continuing to support the H&WB Forum & provide a strategic voluntary sector presence & leadership as currently, including to the health and wellbeing board and THT - Delivering training and support to increase VCS capacity - Continuing to support best practice in commissioning.
Service/Scheme	Single Incentive Scheme
Commissioner Lead	CCG
Annual Budget 17/18	£500,000
Annual Budget 18/19	£500,000
Objectives	<ul style="list-style-type: none"> - Incentivise partnership working between THT providers (and other health and care partners) and to test: <ul style="list-style-type: none"> o delivery of shared outcomes o risk sharing and management between partners o test logic models within THT service model. - The scheme also contributes to the achievement of BCF ambitions, e.g.: <ul style="list-style-type: none"> o Non-elective admissions o Delayed transfers of care o Permanent admissions to care homes per 100,000
Service/Scheme	Out of Borough Social Worker
Commissioner Lead	CCG
Annual Budget 17/18	£60,000
Annual Budget 18/19	£60,000
Objectives	Provision of social worker, from Monday to Friday, to liaise with out-of-borough local authorities to facilitate discharge for patients who do not live in Tower Hamlets. To support wards in Royal London Hospital to support with discharge of all in-patients.
Service/Scheme	Spot Purchase (overseen by CSU)
Commissioner Lead	CCG
Annual Budget 17/18	£85,000
Annual Budget 18/19	£85,000
Objectives	To purchase beds predominantly for patients with complex needs to undertake assessments for eligibility. There is a 6-week limit. Patients must be TH residents and registered with a GP in the borough.
Service/Scheme	Homeless Support (Groundswell)
Commissioner Lead	CCG
Annual Budget 17/18	£60,000
Annual Budget 18/19	£0
Objectives	<p>Groundswell delivers a Homeless Health Peer Advocacy service in the borough. The service will:</p> <ul style="list-style-type: none"> - Address the health inequalities faced by homeless people, by improving their access to healthcare services through volunteers engaging and accompanying people to health care appointments. - Build relationships and work closely with other providers of services for homeless people in the borough, to ensure patients receive an all-round service from all providers and are not 'lost' anywhere in the system. - Help address the inappropriate use of secondary care services by homeless people in the borough. - Help increase the knowledge, confidence and motivation of homeless people, in order for them to better manage their own health. - To work with the Barts Health Discharge team to ensure there is decisive intervention and a stable exit route available at the point of

	<p>discharge for clients.</p> <ul style="list-style-type: none">- To work closely with hostel discharge managers, in order to improve care and provide a seamless service for clients- To establish a data sharing agreement with the Health E1 practice and clients, which will allow the use of patient data to track and understand secondary care activity and help measure the impact on health outcomes.

SCHEDULE 2 – GOVERNANCE

1 Partnership Board

- 1.1 The Joint Commissioning Executive (JCE) will act as the Partnership Board, as set out in the remainder of this Schedule and elsewhere in this agreement.

2 Role of Partnership Board

- 2.1 The Partnership Board shall:

2.1.1 provide strategic direction on the individual Schemes and Projects. This includes ensuring there are appropriate links and engagement between all authorities involved in agreements in the Borough;

2.1.2 receive financial and activity information;

2.1.3 review the operation of this Agreement and performance manage the Services;

2.1.4 agree such variations to this Agreement from time to time as it thinks fit;

2.1.5 review and agree annually revised Schedules, as necessary;

2.1.6 review and agree all BCF and joint commissioning business cases;

2.1.7 oversee the Better Care Fund (BCF) and associated Section 75 agreement;

2.1.8 review and agree annually a risk assessment;

2.1.9 provide, at least annually, a report on progress in delivering the Better Care Fund plan to the Health and Wellbeing Board and to the CCG Board. The Partnership Board will report to the same two bodies more frequently by exception in respect of remedial action to address non-performance that it is beyond the delegated authorities of the Partnership Board to resolve.

2.1.10 request such protocols and guidance as it may consider necessary in order to enable staff employed by the Partners to manage the pooled budgets and approve expenditure from Pooled Funds.

3 Partnership Board Support

- 3.1 The JCE will be supported by Officers from the Partners, as required.

4 Meetings

- 4.1 The JCE will meet monthly at a time to be agreed, or more frequently at the request of any member.

- 4.2 The quorum for meetings of the JCE shall be a minimum of three (3) [including one (1) representative from each of the Partner organisations.

- 4.3 Decisions of the JCE shall be made unanimously. Where unanimity is not reached then the item in question will in the first instance be referred to the next meeting of the JCE, which may be called especially to resolve the issue. If no unanimity is reached on the second occasion it is discussed then the matter shall be dealt with in accordance with the dispute resolution procedure set out in the BCF Section 75 agreement.

- 4.4 Where a Partner is not present and has not given prior written notification of its intended position on a matter to be discussed, then those present may not make or record commitments on behalf of that Partner in any way.

5 Delegated Authority

- 5.1 The JCE is authorised within the limitations of delegated authority for its members (which is received through their respective organisation's own financial scheme of delegation) to:-
 - 5.1.1 authorise commitments which exceed or are reasonably likely to lead to exceeding the contributions of the Partners to the aggregate contributions of the Partners to any Pooled Fund;
and
 - 5.1.2 authorise a Lead Commissioner to enter into any contract for services necessary for the provision of Services under an Individual Scheme.

SCHEDULE 3– RISK SHARE AND OVERSPENDS

1. The Partners agree that Overspends shall be apportioned in accordance with this Schedule 3.

Pooled Fund Management

2. The Pooled Fund Manager for each scheme within the Better Care Fund Plan will be responsible for quarterly reporting of income and expenditure for each scheme. Clause 8.2.7 of this Agreement defines this responsibility. The income and expenditure reports for each scheme will be incorporated into the Quarterly Performance Report submitted to the Partnership Board.

Overspend

3. Where potential or actual Overspends are reported in respect of any individual scheme the Partnership Board shall give consideration to the following options for remediating, subject always to Clause 12.5 of this Agreement:
 - agreeing an action plan to reduce expenditure in the relevant scheme or schemes;
 - identifying Underspends that can be vired from any other Fund maintained under this agreement or outside of this agreement;
 - agreeing additional investment by the respective Partners (in so far as the delegated authorities to Board representatives allow for this);
 - if no suitable investment or reduction in expenditure can be identified, agreeing a plan of action, which may include decommissioning all or any part of the Individual Service to which the Fund relates.
4. The Partnership Board shall act reasonably having taken into consideration all relevant factors including, where appropriate, the Better Care Fund Plan and any agreed outcomes and any other budgetary constraints in agreeing appropriate action in relation to Overspends.
5. The Partners agree to co-operate fully in order to establish an agreed position in relation to any Overspends for which it is not possible or reasonable to identify mitigating action.
6. Subject to any continuing obligations under any Service Contract entered into by either Partner, either Partner may give notice to terminate a Service or Individual Scheme where the Scheme Specification provides and where the Service does not form part of the Better Care Fund Plan.

Underspend

7. Any underspends shall be reported to the partnership and any reallocation of resources agreed mutually.

SCHEDULE 4– JOINT WORKING OBLIGATIONS

Part 1 – LEAD COMMISSIONER OBLIGATIONS

Terminology used in this Schedule shall have the meaning attributed to it in the NHS Standard Form Contract save where this Agreement or the context requires otherwise.

- 1 The Lead Commissioner shall notify the other Partners if it receives or serves:
 - 1.1 a Change in Control Notice;
 - 1.2 a Notice of an Event of Force Majeure;
 - 1.3 a Contract Query;
 - 1.4 Exception Reportsand provide copies of the same.

- 2 The Lead Commissioner shall provide the other Partners with copies of any and all:
 - 2.1 CQUIN Performance Reports;
 - 2.2 Monthly Activity Reports;
 - 2.3 Review Records; and
 - 2.4 Remedial Action Plans;
 - 2.5 Joint Investigation Reports;
 - 2.6 Service Quality Performance Report;The Lead Commissioner shall consult with the other Partners before attending:
 - 2.7 an Activity Management Meeting;
 - 2.8 Contract Management Meeting;
 - 2.9 Review Meeting;and, to the extent the Service Contract permits, raise issues reasonably requested by a Partner at those meetings.

- 3 The Lead Commissioner shall not:
 - 3.1 permanently or temporarily withhold or retain monies pursuant to the Withholding and Retaining of Payment Provisions;
 - 3.2 vary any Provider Plans (excluding Remedial Action Plans);
 - 3.3 agree (or vary) the terms of a Joint Investigation or a Joint Action Plan;
 - 3.4 give any approvals under the Service Contract;
 - 3.5 agree to or propose any variation to the Service Contract (including any Schedule or Appendices);
 - 3.6 suspend all or part of the Services;

- 3.7 serve any notice to terminate the Service Contract (in whole or in part);
- 3.8 serve any notice;
- 3.9 agree (or vary) the terms of a Succession Plan;
 - without the prior approval of the other Partners acting through the Partnership Board. Such approval not to be unreasonably withheld or delayed.
- 4 The Lead Commissioner shall advise the other Partners of any matter which has been referred for dispute and agree what (if any) matters will require the prior approval of one or more of the other Partners as part of that process.
- 5 The Lead Commissioner shall notify the other Partners of the outcome of any Dispute that is agreed or determined by Dispute Resolution
- 6 The Lead Commissioner shall share copies of any reports submitted by the Service Provider to the Lead Commissioner pursuant to the Service Contract (including audit reports)

Part 2 – OBLIGATIONS OF THE OTHER PARTNER

Terminology used in this Schedule shall have the meaning attributed to it in the NHS Standard Form Contract save where this Agreement or the context requires otherwise.

- 1 Each Partner shall (at its own cost) provide such cooperation, assistance and support to the Lead Commissioner (including the provision of data and other information) as is reasonably necessary to enable the Lead Commissioner to:
 - 1.1 resolve disputes pursuant to a Service Contract;
 - 1.2 comply with its obligations pursuant to a Service Contract and this Agreement;
 - 1.3 ensure continuity and a smooth transfer of any Services that have been suspended, expired or terminated pursuant to the terms of the relevant Service Contract;
- 2 No Partner shall unreasonably withhold or delay consent requested by the Lead Commissioner.
- 3 Each Partner (other than the Lead Commissioner) shall:
 - 3.1 comply with the requirements imposed on the Lead Commissioner pursuant to the relevant Service Contract in relation to any information disclosed to the other Partners;
 - 3.2 notify the Lead Commissioner of any matters that might prevent the Lead Commissioner from giving any of the warranties set out in a Services Contract or which might cause the Lead Commissioner to be in breach of warranty.

SCHEDULE 5 – PERFORMANCE ARRANGEMENTS

1. The Partners have agreed that the achievement of the benefits it is intended be realised through the successful delivery of the Better Care Fund plan will be measured using three methods:
 - A dashboard of key performance indicators to be reported regularly to the Partnership Board.
 - Exception reporting to the Partnership Board by Lead Commissioners of individual schemes within this Agreement.
 - Quarterly progress reporting of the Single Incentive Scheme.
2. The Partnership Board will use the exception reporting process, as a means of providing early warning of potential non-performance in respect of individual schemes. The Board will be proactive in discussing and implementing remedial actions designed to deal with identified non-performance. A lead Partner or Provider will be identified as being responsible for implementing the necessary remedial actions.
3. Progress in implementing any remedial actions will continue to be reported, by the Lead Partner or Provider, to subsequent meetings of the Partnership Board until such time as the Board is satisfied that the non-performance has been properly addressed and rectified.
4. In circumstances where authority to implement the necessary remedial actions is beyond the delegated powers of the Board or individual Partner or Provider representatives the following escalation procedures shall apply:
 - 4.1 Where the Board as a whole does not have sufficient delegated authority the Chair of the Board will be responsible for escalating to the next meeting of the Health and Wellbeing Board for resolution. In circumstances where this is not practicable, for example because of time constraints, the Authorised Officers for each Partner will seek the necessary authority from their respective organisations.
 - 4.2 Where the issue relates to the delegated authority of an individual Partner or Provider representative, said representative will be responsible for escalating the agreed remedial actions for approval within their own organisation.
5. A quarterly report prepared by the Lead Commissioner shall also include the income and expenditure report required by Clause 8.2.7 of this Agreement.
7. Where the wider quarterly review undertaken by the Board identifies potential or actual non-performance against the plan, the process for implementing remedial actions shall be as set out in Clauses 2 to 4 of this Schedule above.
8. The Pooled Fund Manager(s) shall be responsible for the preparation of the Annual Performance Report to meet the requirements set out in Clause 20 of this Agreement and for presenting it to the Health and Wellbeing Board within the prescribed timescale.
9. As and when directed by the Partnership Board as per Schedule 2, Clause 3.1.8, the Pooled Fund Manager(s) shall be responsible for preparing exception reports to the Health and Wellbeing Board.

SCHEDULE 6 – POLICY FOR THE MANAGEMENT OF CONFLICTS OF INTEREST

1. The Council and the CCG jointly recognise that each operates in a complex practice, policy and political environment and that from time to time this complexity could give rise to situations where the wider interests of one Partner may create an actual or perceived conflict of interest in respect of delivery of the Better Care Fund plan.
2. Both Partners also recognise that the complexity of the environment in which each operates means that it is incumbent on each Partner to ensure that in planning any investment or disinvestment decisions and/or policy or practice changes any potential impact on Better Care Fund plan delivery is considered and appropriate mitigation sought during the planning of change. In so doing, the Partners wish to reduce the likelihood of conflicts of interest arising inadvertently.
3. The Partners undertake to use best endeavours to minimise the risk of any such conflicts arising, and to minimise the adverse impact should such conflicts (actual or perceived) arise. At all times when addressing any actual or perceived conflicts the Partners will have due regard to the terms of this agreement, and the partnership approach underpinning it, and in particular to the General Principles set out in Clause 3.2 of the Agreement.
4. The Authorised Officers will, in the first instance, seek to resolve any actual or perceived conflict of interest that arises during the term of this Agreement through discussion. While this can be managed informally, a record of the actual or perceived conflict, and of the agreed means of resolving, should be kept by the Authorised Officers and reported to the next available Partnership Board meeting for noting.
5. In circumstances the Authorised Officers are unable to resolve the conflict of interest through informal discussion the Dispute Resolution procedure set out at Clause 23 of the Agreement shall be followed.
6. The Council recognises that its role as both Commissioner and Provider of services means that it is necessary to put additional safeguards in place to ensure transparency of decision making and to assure the CCG that the best interests of the Partnership are the primary consideration with regards to Better Care Fund plan delivery. In order to provide this assurance the Council will:
 - 6.1 Ensure that at all times it is represented on the Partnership Board by at least one senior officer whose job functions are primarily Commissioning based, and who has no line management responsibility (or line management accountability to senior officers) for the delivery of Provider functions;
 - 6.2 Ensure at all times that Commissioning intentions or decisions agreed by the Partners, or made under delegated authority by the Pooled Fund Manager, are not communicated to Provider functions within the Council in advance of their formal communication to the relevant Provider or Providers by the Partnership.

SCHEDULE 7 – INFORMATION GOVERNANCE PROTOCOL

1. Information Governance - including assurance of compliance with the Data Protection Act 1998 and as of 25th May 2018, the General Data Protection Regulation (GDPR), alongside the requirements of the Caldicott Guardians for each Partner - is a key component of the Tower Hamlets Together Partnership. Processes for ensuring that identifiable data is shared securely and in full compliance with all relevant legislative requirements have been or are being put in place via this programme, in order to ensure that the sharing of information necessary for delivering properly integrated arrangements can be facilitated. Details of the Information Governance protocols in place to support the Programme can be obtained from NHS Tower Hamlets CCG and London Borough of Tower Hamlets.
2. In particular, NHS numbers will be used as the common identifier for individual recipients of services, and the council reaffirms its commitment to ensuring that all individual records held pursuant to discharge of its Community Care responsibilities include the individual's NHS number. For the purposes of Better Care Fund plan delivery, this commitment extends to individuals aged 18 and over whose services are being provided under the Children and Families Act 2014 and related legislation and regulations.
3. Each Partner remains at all times responsible, through their own Information Governance arrangements, for assuring themselves that all data sharing and other agreements put in place to facilitate the sharing or transfer of individually identifiable data are compliant with the legislation relevant to that partner and to any internal protocols in place pursuant to ensuring that compliance.
4. Each Partner needs to ensure that they achieve at least a Level 2 in their Information Governance Toolkit requirements.

<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Tom McCourt, Strategic Director - Place</p>	<p>Classification: Unrestricted</p>
<p>Removal of Nuisance & Illegally Parked Vehicles</p>	

Lead Member	Councillor Amina Ali, Cabinet Member for Environment
Originating Officer(s)	Michael Darby – Head of Parking & Mobility Services
Wards affected	All wards
Key Decision?	No
Community Plan Theme	Tower Hamlets Partnership

Executive Summary

The Council currently holds a three-lot contract with NSL Services Ltd for the removal of vehicles on the highway, the removal of abandoned vehicles and enforcement of parking restrictions on land managed by Tower Hamlets Homes. Permission is sought for an eight-month extension for this contract and retrospective permission to include the tendering out of parking enforcement on housing land in the new contract.

Decision 1: Extension of the current contract

The Council currently holds a three-lot contract with NSL Services Ltd for the following:

Lot 1: Nuisance Vehicles

This relates to vehicles removed under the Traffic Management Act 2004 for parking in contravention of parking restrictions. The contract is for:

- the physical removal of vehicles from the highway;
- storage at the Council's car pound at Commercial Road; and either:
- the restoration of vehicles to their owners on payment of the required outstanding charges; or
- the disposal of vehicles that are not claimed.

Lot 2: Abandoned Vehicles

This relates to vehicles removed under the Refuse Disposal (Amenity) Act 1978 for being abandoned. The contract is for:

- the physical removal of vehicles from the highway or any other land in the open air;
- storage at the Council's car pound at Commercial Road; and either:
- the restoration of vehicles to their owners on payment of the required outstanding charges; or

- the disposal of vehicles that are not claimed.

Lot 3: Parking Enforcement on Land Managed by Tower Hamlets Homes

This relates to the enforcement of parking restrictions on land managed by Tower Hamlets Homes under contract law and involves:

- issuing parking charge notices to vehicles parked contrary to the restrictions; and
- responses to representations against those parking charges.

The Council in partnership with Tower Hamlets Homes is jointly procuring a new Parking Enforcement and Vehicle Removal contract to replace the current contract. Cabinet gave approval to put this contract out to competition on 4th October 2016 but the paper did not include a request for enforcement on land managed by Tower Hamlets Homes to be procured. Retrospective permission is therefore sought to allow the tendering out of this enforcement.

Decision Requested

Permission is sought for an eight-month extension for this contract. This eight-month extension will allow sufficient time for the full tender to be advertised on OJEU and the assessment and award of the new contract for the removal of nuisance vehicles.

Decision 2: Permission to Tender for Parking Enforcement on Land Managed by Tower Hamlets Homes

The Council in partnership with Tower Hamlets Homes is jointly procuring a Parking Enforcement and Vehicle Removal contract to replace the current contract described in Decision 1 above. The new contract consists of the following:

Lot 1: Nuisance and Abandoned Vehicles

This is an amalgamation of Lots 1 and 2 of the current contract described in Decision 1 above.

Lot 2: Parking Enforcement on Land Managed by Tower Hamlets Homes

Following the amalgamation above, Lot 2 for this contract solely consists of Lot 3 of the current contract described in Decision 1 above.

It should also be noted that it is proposed to enforce on land managed by Tower Hamlets Homes under Traffic Management Orders made by LBTH. This will allow penalty notices to be pursued under the Traffic Management Act 2004 as the government's view is that enforcement on land owned by a local authority should be conducted in this manner. As a result of this view, the government has restricted access to the DVLA database and penalty notices on THH land cannot be enforced effectively. Furthermore, enforcement under the Traffic Management Act 2004 will allow the removal of vehicles from THH land.

Decision Requested

On the 19th September 2016, a Tollgate 1 was presented to The Competitions Board which gave approval to proceed to Cabinet. Cabinet gave approval to put this contract out to competition on 4th October 2016 but the paper did not include a request for Lot 2 (Parking Enforcement on Land Managed by Tower Hamlets

Homes) to be procured and omitted the associated value of £378,000 per annum. Retrospective permission is therefore sought to include this cost element and allow the tendering out of parking enforcement on housing land (i.e. Lot 2 of this contract).

Recommendations:

The Cabinet is recommended to:

1. Extend the current contract for eight months in order to allow sufficient time for the full tender to be advertised on OJEU and the assessment and award of the new contract for the removal of nuisance vehicles.
2. Give retrospective permission to include the tendering out of parking enforcement on housing land in the new contract. This is retrospective approval for Lot 2 of this contract for THH.

1. REASONS FOR THE DECISIONS

- 1.1. These proposals are being made in order to ensure that the Service's operational capabilities are in line with the Mayor's manifesto commitments, the Council's transport policies and government guidance.
- 1.2. Consistent parking enforcement operations maintain a balance between public safety, controlling the level of demand for parking, promoting more sustainable methods of travel and meeting residents and business aspirations for ease of vehicular parking.

2. ALTERNATIVE OPTIONS

- 2.1 Without these contracts in place the Service may be unable to ensure that the Mayor's and the Council's priorities are effectively delivered.

3. DETAILS OF REPORT

- 3.1. The removal and disposal of nuisance vehicles (i.e. vehicles parked in contravention of parking restrictions and abandoned vehicles) supports the Council's strategy for maintaining a cleaner, safer environment for residents and visitors and assists in supporting the cross-cutting social, economic and environmental change necessary to improve the lives of local people by protecting against vehicle exhausts fumes and noise.
- 3.2. The service is a tool for enhancing our deterrence strategy, improving safety and reducing parking stress that minimizes the impact of vehicle fumes and noise by deterring drivers from making unnecessary journeys and effectively rationing the use of scarce parking spaces.

- 3.3. Under the Traffic Management Act 2004 the Council enforces parking restrictions, part of which involves the removal of vehicles deemed to be parked dangerously or obstructively. Similarly, under the Refuse Disposal (Amenity) Act 1978 the Council has a duty to remove vehicles that are deemed to be abandoned. These removals require the supply of removal vehicles and the facilities for the owner of such vehicles to reclaim them and the facilities to dispose of vehicles that are not reclaimed.
- 3.4. The current pound has allocated 55 spaces for the removal of nuisance vehicles and 12 spaces for abandoned vehicles. A total of 2,523 removals were carried out in 2015/16. A snapshot of removals from (September 2016) indicated that of 222 removals, 47% of the vehicles were registered outside the borough. Having no removal service would further increase the non-compliance and result in the numbers of vehicles which would be classed as persistent evaders. In addition having a removal service acts as a buffer for reducing the number of vehicles with no registered keepers and as such has a direct correlation to prevention of crime and anti-social behaviour.
- 3.5. The removal service is also involved with events in the borough such as Mela, the Lovebox Festival, fireworks displays etc.
- 3.6. Tower Hamlets Homes are currently in contract with NSL to deliver parking enforcement services on all council housing land. This includes the following services that cover estate land surrounding 23,000 Council properties:
- Enforce unauthorised parking in all estate land
 - Issue PCN's and take forward cases of non- payment through the DVLA
 - Deal with Parking appeals using the POPLA process.
 - Report and notify the Council about abandoned vehicles
 - Provide data relating to contract activities
 - Take all resident enquiries relating to Parking.
- 3.7. Although there are current enforcement difficulties caused by the Governments position on the use of contract law, the withdrawal of services on the estates has the potential to cause a significant increase in unauthorised parking given the numbers of people visiting the Borough.
- 3.8. For Council services (i.e. those currently performed by Parking & Mobility Services, the term of this contract ended on 31 May 2017 and an extension was sought and agreed until 31 August 2017.
- 3.9. As above, the Council and THH extended contracts for 3 months from 31 May 2017 to 31 August 2017. LBTH costs were 135k and THH was 96k.
- 3.10. Following discussions with Legal, and Procurement it was agreed that a new temporary contract for 2 months could be approved with the current contractor though the Record of Corporate Directors Actions (RCDA) for Tower Hamlets and THH. This approached was used as any further extension to the existing contracts would have exceeded the £164k threshold.

- 3.11. The procurement for a new contract is underway however unfortunately there were delays in progressing the contract due to difficulties with the terms and conditions from Tower Hamlets Homes and Legal Services which have led to unavoidable and unforeseeable delays. These delays have led to this course of action being taken.
- 3.12. The contract for the removal of nuisance vehicles and off-street parking enforcement will allow the Council to fulfill its obligations of removing vehicles parked in contravention of parking regulations and / or are considered abandoned and dangerous.
- 3.13. This project once successfully implemented should lead to improved recovery and deterrence.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks two decisions to be made by Cabinet. The first is to extend the temporary contract with NSL for a further period of 8 months. The second decision sought is for the inclusion of Lot 3 as part of the joint procurement process for the new contract.
- 4.2 Cabinet on the 4th October 2016 approved the procurement for a new contract for the removal of nuisance vehicles and pound provision (CLC5135), for both Lot 1 and 2, at the value of £460,000, expiry date 31st May 2017. However, Lot 3 Parking Enforcement on Land Managed by Tower Hamlets Homes funded through the Housing Revenue Account (HRA) with a value of £378,000 per annum was omitted from the decision. The Cabinet decision agenda item '5.9 **Contracts Forward Plan - Quarter 3 (2016-2017)**' gave approval that 'all other contracts be approved to proceed to contract award after tender'.
- 4.3 The delay in the procurement process (as explained above) for the new contract has required a decision to be taken under the Record of Corporate Director Decisions. This was signed off by the Corporate Director of Place to extend the contract for a period of 3 months from the 1st June 2017 to the 31st August 2017. At a cost to the Council of up to £135,000 for Lots 1 and 2, and for Tower Hamlets Homes Lot 3 was £96,000. Subsequent action has been to put in place a new temporary contract to continue the services of NSL Services Ltd.
- 4.4 The report recommends that the contract is approved for a further period of eight months to allow sufficient time for the full tender process to be undertaken. There are sufficient budgeted resources within both the Parking budget and HRA to meet the cost of the contract.

5. LEGAL COMMENTS

- 5.1 Local authorities are responsible for managing all on-street and some off-street parking, whether directly or indirectly. This is pursuant to powers

contained in the Road Traffic Regulation Act 1984 (RTRA). The Road Traffic Act 1991 made it mandatory for London boroughs and optional for other local authorities to take on the civil enforcement of non-endorsable parking contraventions.

- 5.2 The legal framework for enforcement authorities in England is set out in the Traffic Management Act 2004 and the Council should have a clear parking policy which it is obliged to follow. The legislation referred to in this paragraph and the one above provides both the duties and the powers in respect of the Council relating to parking enforcement. The Council is also entitled to enter into contracts for the exercise of its duties in accordance with S.111 of the Local Government Act 1972.
 - 5.3 The Public Contracts Regulations 2015 and the Council's Best Value Duty in accordance with section 3 of the Local Government Act 1999 generally oblige the Council to go out to tender when seeking offers to provide services of the type described in this report.
 - 5.4 Whilst retendering a service will always be the most appropriate way to demonstrate Best Value, Regulation 72 of the Public Contracts Regulations 2015 allows the Council to extend an existing contract in scope even though the extension was not included in the original procurement. This is where a change in supplier:
 - 5.4.1 cannot be made for economic or technical reasons and
 - 5.4.2 would cause significant inconvenience or substantial duplication of costs for the Council
- This is on the proviso that the value of any such extension does not exceed 50 percent of the value of the original contract.
- 5.5 Consideration was given to the procurement of a short term interim contract. However, in the event that a new supplier won the competitive exercise there would be the requirement for the transfer of existing employees and considerable transfer of information. Therefore, a short term contract was considered uneconomic and would have exposed the delivery of this strategically important service to the Council at considerable risk.
 - 5.6 It is also notable that when including the cost of the original extension the overall value of extension is not greater than 50% of the original contract value and therefore this extension does not amount to the award of a new contract and accordingly the Council is not legally obliged to tender.
 - 5.7 The Council is also on the verge of releasing a full European advert to tender for a replacement contract so is demonstrably acting out of necessity rather than in a manner intended to subvert competition.
 - 5.8 Tower Hamlets Homes Limited manages areas of the Council's land in respect of which these services are required. However, as regards

enforcement Tower Hamlets Homes is only acting as part of the Council's overall arrangement for traffic enforcement in accordance with the legislation and whilst Tower Hamlets Homes will be a party to the contract it will be acting on behalf of the Council for the purposes of enforcement. Therefore, it is appropriate that both parts of these services are tendered together.

- 5.9 It therefore follows given the legislation referred to above that the new contract is about to be tendered in Europe.
- 5.10 The Council is subject to the public sector equalities duty under the Equalities Act 2010, which requires the Council when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. The Council should perform a proportionate equality analysis before proceeding with the actions referred to in this report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Process may encourage local businesses to tender for the contract and may assist in the employment of local people from the community.
- 6.2 The parking enforcement element will assist in providing a fair and consistent parking approach to support equal access and equalities and diversity for all road users including disabled drivers in the borough.
- 6.3 The contract should not be seen from financial cost / benefit analysis only but also on the social benefits of this service, the value and support it provides to other areas of Parking Services. The cost of this service should also be taken in context of the statutory requirement on Parking Services, and the needs of the service as an integral part of the council's parking enforcement strategy for carrying out our responsibilities under the Traffic Management Act 2004, the Refuse Disposal Amenity Act 1978 and other related regulations.
- 6.4 An EQIA will be conducted as part of this procurement process to identify issues and ensure that these are addressed.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The procurement of this service will meet the needs of the Best Value implications.
- 7.2 The tender will be evaluated on the provision of quality and 'value for money', consistent with current costs obtainable in similar contracts in London. The necessity of this contract is based on the need to maintain optimum compliance.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 This contract will allow the Council to remove vehicles deemed to be parked dangerously or obstructively as well as remove vehicles that are deemed to be abandoned all of which have a direct correlation to both the prevention of crime and anti-social behaviour as well as implications on air quality.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There is a reputational risk to the Council not fulfilling its statutory obligations under the Traffic Management Act 2004, the Refuse Disposal Amenity Act 1978 and other related regulations.

- 9.2 In addition, there is further risk of non-compliance of illegally parked vehicles on THH land in addition to the removal of nuisance vehicles on the public highway.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Antisocial behaviour can have a lasting impact on neighbourhoods and communities as it often leads to an increase in crime, particularly violence and criminal damage. Abandoned vehicles have a direct correlation to both the prevention of crime and anti-social behaviour.

11. SAFEGUARDING IMPLICATIONS

- 11.1 N/a

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

<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Directorate of Place</p>	<p>Classification: Unrestricted</p>
<p>The Infrastructure Delivery Framework: Report to Cabinet recommending the approval of the allocation of S106 and CIL funding and approval for the adoption of a capital budget in respect of the following projects:</p> <ul style="list-style-type: none"> • South Dock Bridge: Initiation, Design and Public Consultation • Route 108: Bow Enterprise Park Development Bus Service Enhancement • Brick Lane Regeneration – Phase 2 Project Delivery • Middlesex Street Art • Toynbee Hall Refurbishment 	

<p>Lead Member(s)</p>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>South Dock Bridge: Initiation, Design and Public Consultation Phases</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Route 108: Bow Enterprise Park Development Bus Service Enhancement</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Brick Lane Regeneration – Phase 2 Project Delivery</u> Councillor Joshua Peck, Cabinet member for Work and Economic Growth</p> <p><u>Middlesex Street Art</u> Councillor Joshua Peck, Cabinet member for Work and Economic Growth</p> <p><u>Toynbee Hall Refurbishment</u> Councillor Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing</p>
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Originating Officer(s)	<p><u>Covering Cabinet Report</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>South Dock Bridge: Initiation, Design & Public Consultation</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Route 108: Bow Enterprise Park Development Bus Service Enhancement</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Brick Lane Regeneration</u> Andy Scott, Acting Service Head for Economic Development</p> <p><u>Middlesex Street Art</u> Andy Scott, Acting Service Head for Economic Development</p> <p><u>Toynbee Hall Refurbishment</u> Suzanne Jones, Supporting Divisional Director, Corporate Finance</p>
Wards affected	<p>Canary Wharf Bromley South Spitalfields and Bangla Town Whitechapel Weavers</p>
Key Decision?	<p>Yes</p>
Community Plan Theme	<p>A great place to live; A fair and prosperous community; A safe and cohesive community; A healthy and supportive community.</p>

1. EXECUTIVE SUMMARY

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

1. The allocation of £270,000 Community Infrastructure funding (CIL) funding to the proposals set out in the “*South Dock Bridge Project Initiation and Design & Public Consultation Phases*” Subordinate Project Initiation Document (Sub-PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £440,000 in Section 106 (S106) funding to the proposals set out in the “*Route 108 - Bow Enterprise Park Development Bus Service Enhancement*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.

3. The allocation of £1,143,405 in Section 106 (S106) funding to the proposals set out in the “*Brick Lane Regeneration – Phase 2 Project Delivery*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix C.
4. The allocation of £305,000 in Section 106 (S106) funding to the proposals set out in the “*Tonybee Hall Refurbishment*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix E.
5. The adoption of a capital budget for the following projects:
 - 1) Brick Lane Regeneration – Phase 2 Project Delivery
 - 2) Middlesex Street Art

1.2 A summary of the projects can be found below:

- a) **South Dock Bridge: Initiation, Design & Public Consultation:**
 The project is for the expenditure of £270,000 CIL funding for work relating to initiation, design and public consultation for a new walking and cycling link identified as South Dock Bridge on the Upper Bank Street Alignment. The proposed bridge will support the large quantum of development now underway in South Quay and the Isle of Dogs.
- b) **Route 108: Bow Enterprise Park Development Bus Service Enhancement:**
 Planning permission for the Bow Enterprise development was given in 2011. The associated S106 provided for £440,000 ‘towards public transport infrastructure provision in the vicinity of the Land’. This project seeks retrospective funding in order to extend existing bus services following the rerouting of the D8 and 108 routes in 2016. This will result in increased capacity and frequency of the services, longer hours of operation and new direct travel opportunities to north of the river.
- c) **Brick Lane Regeneration - Phase 2 Project Delivery:**
 This project seeks the expenditure of £1,143,405 S106 funding to deliver the phase 2 of the Brick Lane Regeneration Project. Key projects that will be delivered will include improvements to the public realm through surface changes and removal/replacement of street furniture; alterations to traffic management including closure of the majority of Brick Lane and part of Hanbury Street, a series of wayfinding projects to improve visibility and connectivity to surrounding areas; open space improvements to Allen Gardens; the delivery of further shopfront improvement projects; continuing to bring vacant units back into use; and a series of activities and events delivered around the proposals to promote the project and draw in community support.
- d) **Middlesex Street Art Project:**
 This project involves the expenditure of £304,323 S106 funding to create a series of individual artworks that will act as sign posts to places of interest and form a cultural trail for visitors and residents, within the scope of the

Aldgate Public Art Cultural Trail. It would include an ‘artistic’ map to be situated in the immediate vicinity of the Middlesex Street development indicating specific places of interest. This project will enhance the environment and inform residents and students in the area of what’s on their doorstep.

e) **Toynbee Hall Refurbishment:**

This project seeks the expenditure of £305,000 S106 funding to contribute to the refurbishment of the Tonybee Hall site. The plans include for the site to conserve the historic halls, transform Mallon Gardens into an accessible public space and build a new building in place of Profumo House. The new building will consist of a Centre for Advice, a Centre for Wellbeing and four floors of commercial office space to bring in a sustainable source of unrestricted funding that will support the activities of the occupying charity.

1.3 Table 1 below sets out the amount requested for each of the projects highlighted in 1.2, including the source of requested funding related to CIL and S106. Table 2 sets out the project costs and the amounts that require a capital budget to be adopted.

1.4 It should be noted that the figures in this report have been rounded to the nearest pound. For exact figures please refer to the attached PIDs.

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

Project Title	Amounts		
	Overall Request	S.106	CIL
South Dock Bridge: Initiation, Design & Public Consultation	£270,000	-	£270,000
Route 108: Bow Enterprise Park Development Bus Service Enhancement	£440,000	£440,000	-
Brick Lane Regeneration - Phase 2 Project Delivery	£1,143,405	£1,143,405	-
Toynbee Hall Refurbishment	£305,000	£305,000	-
Total	£2,158,405	£1,888,405	£270,000

Table 2: Adoption of Capital Budget > Requested Amount

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
South Dock Bridge: Initiation, Design & Public Consultation	£270,000	-
Route 108: Bow Enterprise Park Development Bus Service Enhancement	£440,000	-
Brick Lane Regeneration - Phase 2 Project Delivery	£1,143,405	£1,143,405
Toynbee Hall Refurbishment	£305,000	-
Middlesex Street Art	£304,326	£304,326
Total	£2,462,731	£1,447,731

RECOMMENDATIONS

1.5 The Mayor in Cabinet is recommended to:

1. Approve the allocation of £270,000 in Community Infrastructure Levy (CIL) funding to the proposals set out in the “South Dock Bridge: Initiation, Design and Public Consultation Phases” Subordinate Project Initiation Document (Sub-PID), which is attached to this Cabinet report at Appendix A and Table 1.
2. Approve the allocation of £440,000 in Section 106 (S106) funding to the proposals set out in the “Route 108: Bow Enterprise Park Development Bus Service Enhancement” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B and Table 1.
3. Approve the allocation of £1,143,405 in Section 106 (S106) funding to the proposals set out in the “Brick Lane Regeneration - Phase 2 Project Delivery” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix C and Table 1.
4. Approve the allocation of £305,000 in Section 106 (S106) funding to the proposals set out in the “Toynbee Hall Refurbishment” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix E and Table 1.
5. Adopt a capital estimate for the following projects detailed in Table 2:

- a) Brick Lane Regeneration – Phase 2 Project Delivery Project Initiation Document (PID) attached at Appendix C and Table 2 (£1,143,405)
- b) Middlesex Street Art Project Initiation Document (PID) which is attached at Appendix D and Table 2 (£304,326)

2. REASONS FOR THE DECISIONS

2.1 Approval is sought to deliver these projects for the following reasons:

1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:

- A Great Place to Live;
- A Fair and Prosperous Community;
- A Safe and Cohesive Community;
- A Healthy and Supportive Community.

2. They will improve the public realm, accessibility, and wellbeing of residents and workers; improve economic activity, and employment and enterprise opportunities, as well as overall levels of public participation and civic pride.

2.2 Please refer to the following associated documents/appendices for more information about the projects:

- Appendix A: South Dock Bridge: Initiation, Design and Public Consultation Phases Sub-PID
- Appendix B: Bow Enterprise Park Development Bus Service Enhancement PID
- Appendix C: Brick Lane Regeneration - Phase 2 Project Delivery PID
- Appendix D: Middlesex Street Art PID
- Appendix E: Toynbee Hall Refurbishment PID

3. ALTERNATIVE OPTIONS

3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects.

3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. Further details of the specific restrictions attached to each S106 agreement can be found in the attached PIDs. Any alternative spend of this funding would have to be on the projects that would meet the requirements of the relevant S106 agreement.

4. BACKGROUND

S106

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

CIL

- 4.3 Community Infrastructure Levy (CIL) funding must be spent in accordance with the Council's Regulation 123 List.

PIDs

- 4.4 The background to the projects is provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendices A to E.

South Dock Bridge: Initiation, Design & Public Consultation Phases (PID attached at Appendix A)

- 4.5 This project relates to the expenditure of £270,000 CIL funding to undertake work-streams associated with the first two phases of the South Dock Bridge Project. Further PIDs will be submitted for the later phases of the project.
- 4.6 The Isle of Dogs South Dock Feasibility & Design Study (May 2016) identified a strong business case for the delivery of a new walking and cycling link identified as South Dock Bridge, to support the scale of development coming forward in South Quay and the Isle of Dogs and to relieve congestion on the existing Wilkinson Eyre Bridge.
- 4.7 The study considered different options with the provision of the South Dock Bridge on the Upper Bank Street Alignment proving to be the most feasible and appropriate option.
- 4.8 The detailed business case and background information for the South Dock Bridge is set out in the accompanying Programme Overview PID.
- 4.9 The project asks for funding to undertake the following tasks:

- **Undertake land ownership assessment:**
It is important to identify the different landowners around the site to progress negotiations with the Canal and Rivers Trust (CRT), Canary Wharf Group and Berkeley Homes (and any other identified stakeholders) for land/water space use to build the bridge.
- **Compulsory Purchase legal advice:**
Advice will be sought on the compulsory purchase Order (CPO) process in case other land/water space agreements cannot be reached with stakeholders.
- **Procurement of consultants to undertake public consultation:**
Specialist consultants will be procured to undertake consultation on the South Dock Bridge proposal in alignment with the project's Communication & Public Consultation Management Strategy. Prior to the procurement exercise, the Council's Communications Team will be consulted on the most appropriate approach to the consultation exercise.
- **Undertake commercial assessment of impacts on South Dock moorings:** External consultants will be procured to identify the economic impacts on the South Dock moorings that will be displaced as a consequence of the bridge. The commercial impacts assessment will also help inform negotiations with CRT and any CPO application should it be necessary.
- **Procurement of consultants to prepare planning application documents:** Planning consultants will be procured to prepare and lead the planning application process for South Dock Bridge. They will also be responsible for preparing a Planning Statement and to coordinate planning impact assessments.

Route 108: Bow Enterprise Park Development Bus Service Enhancement (PID attached at Appendix B)

- 4.10 This project requires the expenditure of £440,000 of S106 funding on bus service delivery as part of the S106 contributions for the Bow Enterprise Park Development.
- 4.11 Planning permission for the Bow Enterprise development was given in 2011. The associated S106 provided for £440,000 'towards public transport infrastructure provision in the vicinity of the Land.' More detailed analysis was undertaken of this suggested scheme and in March 2016 consultation was undertaken to swap the D8 and 108 routeings. In October 2016 the scheme was implemented and routes 108 & D8 were swapped and larger buses procured to operate on both routes.

4.12 This project directly benefits the Bow Enterprise Park development by creating additionality – namely higher capacity, higher frequency, longer hours of operation and new direct travel opportunities. More specifically space for passengers per hour in each direction Monday to Saturday daytimes from 275 to 420 – a 53% increase. (In fact in the busiest hour, busiest direction the increase is higher still). Bow Enterprise Park also receives a higher frequency (6 buses per hour rather than 5 bph) meaning less wait time at the bus stop. Frequencies also improved on Sundays and all evenings. The scheme also introduces a 2 bph night service past the site where previously there was none. Finally the scheme introduced new, direct travel opportunities e.g. North Greenwich and other locations south of the river.

4.13 Continuation of the scheme is proposed to enable additional capacity overall and better targeted capacity to mitigate anticipated growth in demand from new development like Bow Enterprise Park. The scheme proposes value for money by generating an estimated £820,000 of passenger benefit per annum or alternatively £1.90 worth of benefit for every £1 spent.

Brick Lane Regeneration - Phase 2 Project Delivery (PID attached at Appendix C)

4.14 This project involves the expenditure of £1,143,405 of S106 funding to deliver the phase 2 of the Brick Lane Regeneration Project.

4.15 The Brick Lane Regeneration project aims to deliver a holistic regeneration programme for the Brick Lane area, which is defined as from the bottom of Osborn Street (Whitechapel High Street) to the top of Brick Lane (Redchurch Street and Bethnal Green Road). The activity will include linking up Brick Lane with other major visitor attractions such as Spitalfields Market and Petticoat Lane. It will also look to develop cultural trails and activities that bring footfall into Brick Lane from cultural facilities such as Rich Mix and Whitechapel Gallery.

4.16 The key aim of the project is to improve Brick Lane – particularly the part south of the Truman Brewery – and return it to be:

- A vibrant and diverse local economic centre;
- An important focus for local communities,
- A major visitor and tourist destination; and
- The home of a lively night-time economy.

4.17 The Brick Lane Regeneration project has been implemented across two phases. Phase 1, which began in October 2016 and was due to be completed by October 2017, was designed to deliver feasibility work to determine which capital and revenue improvements would deliver the most appropriate improvements for Brick Lane, as well as undertaking a number of early win projects that had previously been scoped.

- 4.18 Phase 2 is the major delivery phase of the project which will begin in January 2018 and run to April 2019, delivering a range of capital and revenue improvements identified within the feasibility work undertaken during Phase 1. Key projects that will be delivered will include improvements to the public realm through surface changes and removal/replacement of street furniture; alterations to traffic management including closure of the majority of Brick Lane and part of Hanbury Street, initially on Sundays, with a potential extension to Saturdays; a series of wayfinding projects to improve visibility and connectivity to surrounding areas; open space improvements to Allen Gardens; the delivery of further shopfront improvement projects; continuing to bring vacant units back into use; and a series of activities and events delivered around the proposals to promote the project and draw in community support.
- 4.19 Phase 2 will also see the Brick Lane Regeneration Project supported in taking ownership of the Improvement Plan and taking a leadership role in its delivery, with the ultimate goal of ensuring that there is continued action in the area once the S106 funding ends.

Middlesex Street Art (PID attached at Appendix D)

- 4.20 A capital estimate is sought for the expenditure of £304,326 of S106 funding. This is following the approval at the Planning Contributions Overview Panel (PCOP) of £250,000 in September 2011 and a further £65,000 approved in March 2016.
- 4.21 It is proposed that the capital funding is used to create a series of individual artworks that will act as sign posts to places of interest and form a cultural trail for visitors and residents, within the scope of the Aldgate Public Art Cultural Trail. It would include an 'artistic' map to be situated in the immediate vicinity of the Middlesex Street development indicating specific places of interest.
- 4.22 The project will be split into two phases. The first phase will look at:
- Proposed location of the art pieces to be commissioned
 - Key stakeholders/parties to be involved
 - Community engagement plan
 - Draft tender document for a public art consultation
- 4.23 The second phase includes commissioning of high quality art pieces that are:
- Sympathetic to the location
 - Connect to the history of the area
 - Are of robust construction

Toynbee Hall Refurbishment (PID attached at Appendix E)

- 4.24 The project involves the expenditure of £305,000 of S106 funding to contribute to the refurbishment of Toynbee Hall. Over the next two years Toynbee Hall will be undertaking significant regeneration works. The organisation has been on the same site since it was founded in 1884 and much has changed in that time but the buildings and sense of place have continued to be a valuable resource for the organisation and for the community.
- 4.25 The plans that they have for their site is to conserve the historic halls, transform Mallon Gardens into an accessible public space and build a new building in place of Profumo House. The new building will consist of a Centre for Advice, a Centre for Wellbeing and four floors of commercial office space.
- 4.26 The total cost of the project is £16.7m. Toynbee Hall worked to secure a significant amount of funding from a variety of sources reflecting that it has a wide reach and community presence. A shortfall of £305,000 was identified (1.8% of the total cost) with the potential of this amount being approved as an allocation from the Community Facilities element of s106 funding.
- 4.27 The Council currently invests £664,000 per annum in services provided by Toynbee Hall - £600,000 to deliver Link Age Plus and £64,000 in mainstream grants projects. Investment in the redevelopment of Toynbee Hall will help ensure the continued delivery of these services in the future and, with improved facilities, should enhance the quality of service provided. It is also proposed that this will give the charity a sustainable income stream, making the organisation more resilient and less reliant on support from public bodies.
- 4.28 If the redevelopment does not proceed, there is an identified risk that if Toynbee Hall is no longer able to provide a range of other community based services, there could be an increase in demand for public services as local residents seek alternative provision.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 In accordance with the Council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section 106 resources totalling £1,888,405 and Community Infrastructure Levy funding totalling £270,000 to five projects.
- 5.2 The scheme allocations and their relevant funding sources are summarised in the table below.

	<u>Allocation</u>			<u>Funding</u>	
	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>	<u>Section 106</u>	<u>CIL</u>
	£	£	£	£	£
South Dock Bridge: Initiation, Design and Public Consultation	-	270,000	270,000	-	270,000
Route 108: Bow Enterprise Park Development - Bus Service Enhancement	-	440,000	440,000	440,000	-
Brick Lane Regeneration – Phase 2 Project Delivery	1,143,405	-	1,143,405	1,143,405	-
Toynbee Hall Refurbishment	-	305,000	305,000	305,000	-
	1,143,405	1,015,000	2,158,405	1,888,405	270,000

Note: All figures are shown to the nearest £. Certain items in the tables contained in the project initiation documents show allocations in pence in order to ensure that the exact balance held in respect of each planning obligation is allocated. Many Section 106 payments received from developers are subject to indexation meaning that receipts are not necessarily in exact pounds.

- 5.3 In order that spending decisions can be made during the financial year by the Infrastructure Delivery Board and the Mayor in Cabinet, an initial provision of £30 million for infrastructure delivery was incorporated within the 2016-17 capital programme, with uncommitted resources being carried forward into 2017-18 and future years as necessary. The approval to fund schemes from this budgetary provision can only be made following the receipt of the relevant developer contributions - in the case of the schemes proposed in this report, the required resources have been received by the Council. The planning contributions that are being applied to the projects are detailed in section 2 of each of the Project Initiation Documents that are included as Appendices A to E of this report.
- 5.4 A significant element of the Section 106 resources that are held by the Council relates to capital projects. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the Council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £1,447,731 is sought in this report.
- 5.5 Due to the risk that funding will have to be repaid to developers, with interest, if the time period specified in the Section 106 agreement expires, it is important to ensure that projects continue to be closely monitored and that actions are taken to mitigate any risk that resources will be lost. The possibility of applying funds to alternative projects should be considered if schemes are unlikely to drawdown the funding

before the time limited resources expire, although this must be done in accordance with the specific use conditions that are detailed in each Section 106 agreement.

- 5.6 Payments of Section 106 resources to external bodies can potentially be determined to be grants which require the approval of the Grants Determination Sub-Committee in accordance with the Council's decision making framework. In the case of the projects in this report, those managed by the Council itself do not require approval unless payments are to be made to external voluntary organisations. The proposed allocation to Toynbee Hall will however require Grants Determination Sub-Committee approval as it is a payment to an external organisation.
- 5.7 The delivery of the projects proposed in this report may impact on existing Council revenue budgets, particularly in the case of the public realm and open space schemes i.e. Brick Lane regeneration and Middlesex Street public art. Any additional call on revenue resources will need to be incorporated into existing budgets.
- 5.8 in cases where project approvals contain a contingency item this will only be utilised if officers are fully satisfied with the supporting evidence provided to support the claim. Any unused contingency sums will be available for reallocation to other projects.

6. LEGAL COMMENTS

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 As a contract the Council are required to spend any monies received in accordance with the terms of the s.106 agreement. It is therefore important to consider the provisions of each agreement when allocating monies to a particular project. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development.
- 6.3 This report is asking the Mayor in Cabinet to approve the allocation of s.106 resources to the following projects: Route 108 - Bow Enterprise Park Development Bus Service Enhancement, Brick Lane Regeneration – Phase 2 Project Delivery, Toynbee Hall Refurbishment and Middlesex Street Art that were recommended for progression by the Infrastructure

Delivery Steering Group and to adopt the necessary capital budget. In respect of these four projects, the allocation of this section 106 funding is considered to be in accordance with the s.106 agreements and therefore lawful.

Grants

- 6.4 The Toynbee Hall Refurbishment concerns the payment of s106 monies to an external organisation and in this case, although the section 106 agreements limit what types of projects the monies can be used for, they do not specify any organisations to which payment is to be made. Therefore the Council is not under a legal duty to provide the payments to Toynbee Hall Charity. As such these payments are discretionary and are considered by Legal to be grants and therefore, if the allocation of this payment is agreed by Cabinet, approval should then be sought through the Grants Determination (Cabinet) Sub-Committee before any payment is made.
- 6.5 In the case of the project Route 108 - Bow Enterprise Park Development Bus Service Enhancement, this concerns the payment of s106 monies to TfL. The s106 agreement expressly envisaged that the money would be paid to TfL for them to carry out such improvements and so as this money is being passported it is not considered to be a grant.

South Dock Bridge: Initiation, Design and Public Consultation Phases

- 6.6 This report is also asking the Mayor in Cabinet to approve the allocation of CIL to the project concerning South Dock Bridge: Initiation, Design and Public Consultation Phases. The Community Infrastructure Levy (CIL) is a pounds per square metre charge, introduced by the Planning Act 2008 on most new development and must be used to help deliver infrastructure to support the development of the area. It can be used to provide new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, if this is necessary to support development.
- 6.7 Legal Services notes that the amount of £270,000 requested as funding from CIL is to be used to fund various assessments and pieces of advice which are required to inform the delivery of this project. Whilst this is not infrastructure itself, Legal Services are satisfied that the delivery of significant infrastructure projects naturally require project management, design costs, consultation costs etc. and therefore such enabling costs (without which infrastructure could not be delivered) can appropriately be funded from CIL costs. This project is considered to be infrastructure necessary to support development of the area.
- 6.8 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do

not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and where equality issues arise in respect of the projects these have been considered (where relevant) within the PIDs and any Equality Analysis' appended to the PIDs.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is hoped that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

8. BEST VALUE (BV) IMPLICATIONS

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

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 This report seeks the approval of projects, including ones related to improvements to open space in the borough (Brick Lane Regeneration) and a second project which creates a new publicly accessible open space (Toynebee Hall Refurbishment). These projects will contribute towards achieving a greener environment.

10. RISK MANAGEMENT IMPLICATIONS

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

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 It is hoped that a number of these projects will improve places in the borough including buildings and streetscape, making them less susceptible to crime or disorder and increasing natural surveillance.

12. SAFEGUARDING IMPLICATIONS

- 12.1 The report proposes the delivery of infrastructure across the borough. The rights of all end users will be safe guarded and further information can be found in the attached PIDs.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- South Dock Bridge: Initiation, Design & Public Consultation Phases Sub-PID & South Dock Bridge Programme Overview PID – Appendix A;
- Route 108: Bow Enterprise Park Development Bus Service PID – Appendix B;
- Brick Lane Regeneration – Phase 2 Project Delivery PID – Appendix C;
- Middlesex Street Art PID – Appendix D;
- Toynbee Hall Refurbishment PID – Appendix E;

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

- None

Officer contact details for documents:

Matthew Pullen, Infrastructure Planning Manager

Tel: 020 7364 6363

PROJECT INITIATION DOCUMENT

(3rd November 2017)

**SOUTH DOCK BRIDGE PROJECT:
INITIATION, DESIGN & PUBLIC CONSULTATION PHASES**

Version Control

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Jonathan Morris Principal Growth & Infrastructure Planning Officer Jas Mahil-Sandhu, Infrastructure Planning Project Officer	Initial draft to IDSG Finance Subcommittee	12/10/2017
0.2	Jonathan Morris Principal Growth & Infrastructure Planning Officer Jas Mahil-Sandhu, Infrastructure Planning Project Officer	Second draft to IDSG	17/10/2017
0.3	Jonathan Morris Principal Growth & Infrastructure Planning Officer Jas Mahil-Sandhu, Infrastructure Planning Project Officer	Final draft	03/11/2017

Project Initiation Document (PID)

Project Name:	SOUTH DOCK BRIDGE PROJECT		
Project Start Date:	October 2017	Project End Date:	31 st March 2020
Relevant Heads of Terms:			
Responsible Directorate:	Place		
Project Manager:	Jas Mahil-Sandhu		
Tel:	020 7364 2541	Mobile:	
Ward:	Canary Wharf		
Delivery Organisation:	LB Tower Hamlets		
Funds to be passported to an External Organisation? ('Yes', 'No')	No		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier of Services:	Council & External Consultants		
Is the relevant Lead Member aware that this project is seeking approval for funding?	Yes – Mayor Biggs and Cllr Blake the Lead Member for Strategic Development & Waste		
Is the relevant Corporate Director aware that this project is seeking approval for funding?	Yes – Ann Sutcliffe, the Corporate Director of Place has been briefed		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please	No		

append the draft RCDA form for signing to this PID)	
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<u>S106</u>	
Amount of S106 required for this project:	£0.00
S106 Planning Agreement Number(s):	n/a
<u>CIL</u>	
Amount of CIL required for this project:	£270,000
Total CIL/S106 funding sought through this project	£270,000
Date of Approval:	Tbc

This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director of Place
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager

Organisation	Name	Title
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Place	Adele Maher	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			
	South Dock Bridges – Feasibility Study	Business Case	M:\INFRASTRUCTURE PLANNING\IP INFRA PROJECTS\IoD - South Dock Bridges\SD Feasibility & Design Study\Phase 1 Feasibility\Outputs & Reports\Phase 1 Report - Final Version

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1.0 Purpose of the Project Initiation Document

- 1.1 This project builds on the work already undertaken by a feasibility study into new pedestrian and cycling links across South Dock (Isle of Dogs – South Dock Feasibility & Design Study 2016). The study identified a strong business case for the delivery of a new walking and cycling link identified as South Dock Bridge on the Upper Bank Street Alignment to support the large quantum of development now underway on South Quay and the Isle of Dogs.
- 1.2 This Project Initiation Document (PID) sets out the details for the following phases of the project (as below) and will set out the resources needed to undertake this work.
- Project initiation
 - Design & public consultation
- 1.3 This PID should be read alongside the Programme Overview PID for the South Dock Bridge Project which sets out the programme for delivering the project. This PID details the work that needs to be undertaken for the above phases, including obtaining planning consent, undertaking detailed design and public consultation. The primary purpose of this PID is to:
- Provide a subordinate document to detail the delivery of project phases comprising Project Initiation and Design & Public Consultation, against which the Project Team, Project Managers and the Project Board can assess progress, review changes and review cost.
- 1.4 Further PIDs subordinate to the Programme Overview PID will be prepared for subsequent phases of the project.

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the Council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the [Council's Regulation 123 List](#).
- 2.3 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.4 No S106 funding is being sought for this PID.

CIL

- 2.5 This PID seeks approval for the expenditure of **£270,000** of CIL for workstreams included in the Initiation Phase and Design & Consultation Phase of the South Dock Bridge Project.
- 2.6 In accordance with Regulation 123 of the CIL Regulations 2010 (as amended), the Council has prepared a list of infrastructure that the Council intends, will be, or may be, wholly or partially funded by CIL.
- 2.7 This PID seeks funding for the initial stages of delivering South Dock Bridge, which falls under 'Roads and other transport facilities in the Council's Regulation 123 List.
- 2.8 The Council is currently preparing an Annual Infrastructure Statement (AIS) which will set out the Mayor's overall approach to investing Community Infrastructure Levy (CIL) funding up until 31st March 2019. The draft AIS allocates a portion of CIL funding to 'Critical Enabling' Infrastructure. 'Critical Enabling' infrastructure is defined as 'infrastructure which is deemed necessary to unlock and enable sites to be developed'. South Dock Bridge, which is listed in the AIS as an example of 'Critical Enabling' Infrastructure, will address the need for a new pedestrian and cycling connection between Canary Wharf and South Dock. South Dock Bridge is also listed as a 'Critical Enabling' project in the Council's Infrastructure Delivery Framework: Evidence Base.

3.0 Equalities Analysis

- 3.1 Details of the equalities analysis are available within the South Dock Bridge

programme Overview PID.

4.0 Legal Comments

- 4.1 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 ('the 2008 Act') as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 ('the 2010 Regulations').
- 4.2 CIL is a pounds per square metre charge on most new development and must be used to help deliver infrastructure to support the development of the area. It can be used to provide new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, if this is necessary to support development.
- 4.3 Infrastructure is defined by s216 of the Planning Act 2008 to include roads and other transport facilities. A footbridge is likely to fit within a wide definition of this, however; the definition is not exclusive and we are satisfied that a footbridge is infrastructure of that type and that it is vital to support the development of the Council's area.
- 4.4 A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area, as set out in Regulation 59 of the 2010 Regulations.
- 4.5 South Dock Bridge has been recognised in the draft Annual Infrastructure Statement as a Critical Enabling Project. The Annual Infrastructure Statement is still in draft form as it has not yet been through the necessary internal decision making procedures to be adopted as policy. This document sets out how the Mayor shall invest CIL into infrastructure in the borough up until 31 March 2019. Critical Enabling Projects are specific infrastructure projects which have been deemed necessary to unlock and enable sites to be developed.
- 4.6 Legal Services notes from the project budget at section 11 of this PID that the amount of £270,000 requested as funding from CIL is to be used to fund various assessments and pieces of advice which are required to inform the delivery of this project. Whilst this is not infrastructure itself, Legal Services are satisfied that the delivery of significant infrastructure projects naturally require project management, design costs, consultation costs etc. and therefore such enabling costs (without which infrastructure could not be delivered) can appropriately be funded from CIL costs.

- 4.7 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty. An equalities analysis is included in the above section which is proportionate at this stage of the project.
- 4.8 These comments are limited to addressing compliance of the Council's expenditure of CIL (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

5.0 Overview of the Project

- 5.1 The Isle of Dogs is experiencing high levels of residential and commercial growth and a wide range of infrastructure improvements are needed. South Dock Bridge is necessary to connect new residential areas of the transport, services and jobs in the Canary Wharf Town Centre.
- 5.2 This project is in accordance with and supported by the London Plan, the emerging Isle of Dogs Opportunity Area Planning Framework (OAPF), the boroughs emerging Local Plan and the South Quays Master Plan.

Project objectives

- 5.3 The following objectives are identified for Project Initiation and Design & Public Consultation phases of the South Dock Bridge project. These phases are the first stages in delivering a walking and cycling bridge on the Upper Bank Street Alignment by 2020/21:
1. *Negotiate the necessary legal agreements with key stakeholders & landowners*
 2. *Obtain all necessary permissions including planning consent*
 3. *Undertake necessary public and stakeholder consultation*
 4. *Assess and where required mitigate project impacts*
- 5.4 Please refer to the South Dock Bridge Programme Overview PID for a detailed overview of the project.

6.0 Business Case

- 6.1 As above stated, the Isle of Dogs – South Dock Feasibility & Design Study has identified a strong business case for the delivery of a new walking and cycling link identified as South Dock Bridge, to support the large quantum of development coming forward in South Quay and the Isle of Dogs and to relieve congestion on the existing Wilkinson Eyre Bridge.
- 6.2 The study considered different options with the provision of the South Dock Bridge on the Upper Bank Street Alignment proving to be the most feasible and appropriate option.
- 6.3 The detailed business case for the South Dock Bridge is set out in the Programme Overview PID.

7.0 Approach to Delivery and On-going Maintenance/Operation

Delivery Phases & Workstreams

- 7.1 The South Dock Bridge project will be split into four phases including:
- Project Initiation
 - Design & Public Consultation
 - Land Acquisition & Planning
 - Construction
- 7.2 Each phase comprises a number of workstreams and further PIDs will be submitted to outline specific details in relation to each phase.
- 7.3 As stated, this PID focuses on the Initiation and Design & Public Consultation Phases. The following workstreams have been identified for these phases.

Initiation Phase

- 7.4 **Undertake land ownership assessment:** It is important to identify the different landowners around the site to progress negotiations with the Canal and Rivers Trust (CRT), Canary Wharf Group and Berkeley Homes (and any other identified stakeholders), as well as inform a potential Compulsory Purchase Order (CPO) if required. Advice will be sought from the Council's Asset Management team and external consultants will be procured if necessary.
- 7.5 **Undertake commercial assessment of impacts on South Dock moorings:**

External consultants will be procured to identify the economic impacts on the South Dock moorings that will be displaced as a consequence of the bridge; it is a statutory requirement for the Council to identify and mitigate any impacts on the moorings. The commercial impacts assessment will also help inform negotiations with CRT and any CPO application should it be necessary.

7.6 Procurement of consultants to prepare planning application documents: Planning consultants will be procured to prepare and lead the planning application process for South Dock Bridge. They will also be responsible for preparing a Planning Statement and to coordinate planning impact assessments.

7.7 Steer Davies Gleave have been already engaged to undertake Phase 2 of the IoD – Feasibility & Design Investigation (detailed design) which has now been authorised. They will need to feed in directly with the appointed Planning Consultant.

7.8 A number of specialist consultants will need to be procured to assess relevant impacts of the bridge to prepare the following impact statements/assessments as part of the planning application submission:

- Air Quality Assessment
- Biodiversity Survey & Report
- Environmental Statement
- Heritage Assessment
- Lighting Assessment
- Noise and Vibration Impact Assessment
- Transport Assessment
- Wind Impact Statement

7.9 Prepare Communications & Public Consultation Management Strategy: A Communications & Public Consultation Management Strategy will be developed together with the Council's Communications and Marketing Department to set out a strategy for engaging stakeholders and the public and to develop key messages for the project. We will endeavour to prepare the strategy in-house.

Design & Public Consultation Phase

7.10 Undertake detailed design: Phase 1 of the Feasibility and Design Investigation has been undertaken by Steer Davies Gleave. The investigation focused on identifying two new links across South Dock and the subsequent business case for these links. This work was completed in May 2016 and the findings are presented as the business case for the wider project in the Programme Overview PID. Phase 2 of this investigation will focus on the detailed design of the two links recommended as preferred options by the Phase 1 Feasibility Investigation. The detailed design will also be undertaken by Steer Davies Gleave and has been approved by a previous PID.

- 7.11 **Assessment of planning impacts:** The planning implications for the South Dock Bridge Project will be assessed as part of the planning application for the project. These include impacts on biodiversity, light pollution, visual intrusion and wind funnelling on the areas adjacent to the bridge.
- 7.12 **Procurement of consultants to undertake public consultation:** Specialist consultants will be procured to undertake consultation on the South Dock Bridge proposal in alignment with the project's Communication & Public Consultation Management Strategy. Prior to the procurement exercise, the Council's Communications Team will be consulted on the most appropriate approach to the consultation exercise.
- 7.13 **Incorporation of any public consultation design changes:** Consultation will be undertaken with stakeholders and the wider public on the design of the bridge and the likely impacts. This consultation will be undertaken simultaneously whilst the planning impact assessments are being undertaken so these workstreams can inform each other and have a meaningful bearing on the bridge design.
- 7.14 **Review any additional planning impacts:** The Infrastructure Planning team will consider any additional planning impacts from the project as they emerge and will consult with the appointed planning consultants regarding any necessary changes to the design.

8.0 Infrastructure Planning Evidence Base Context

- 8.1 The Isle of Dogs – South Dock Bridges Feasibility & Design Study (May 2016) (Appendix A) provides the evidence base for this project.
- 8.2 The project is included in the Infrastructure Planning Evidence Base Project List with a priority of 1 'Critical Enabling' and is also identified in the Council's AIS (see section 2.14).

9.0 Opportunity Cost of Delivering the Project

- 9.1 As mentioned the AIS allocates a portion of CIL funding to 'Critical Enabling' Infrastructure. The Infrastructure Delivery Framework: Evidence Base identifies 6 Critical Enabling projects which are scheduled to be delivered within the next 5 years and may require CIL funding. Given the amount of CIL funding allocated to 'Critical Enabling' projects over the next five years in the draft AIS and the opportunities currently being explored for match funding, including the four bids the Council has put forward for the Housing Infrastructure Fund, it is not considered that approving the funding set out in this PID will detract from the opportunities for CIL funding being used for the other five Critical Enabling projects.
- 9.2 Furthermore, the Business Case set out in Section 6.0 of this PID details out why

this project is essential for supporting growth in Canary Wharf.

- 9.3 As well as the bid for the Housing Infrastructure Fund detailed in para 6.23, other funding sources for this project are being explored. Funding of 50% of the cost of the feasibility study and detailed design has been met by TfL. Officers have also lobbied TfL to contribute MCIL to the project, given the strategic importance of this infrastructure. In spite of this, TfL have indicated that they will not be able to provide further funding towards the bridge delivery. Nonetheless officers will continue to work closely with TfL and utilise any funding opportunities if they become available.
- 9.4 Opportunities for corporate sponsorship are also being considered. Berkely Homes and the Canary Wharf Group have been approached, however ruled out any funding contributions to this project.

10.0 Local Employment and Enterprise Opportunities

- 10.1 Local firms will be used to provide services for delivering these phases of the South Dock Bridge Project where possible. The Council’s Employment and Enterprise team will be engaged throughout the process to ensure that the project delivers local economic benefits.

11.0 Financial Programming and Timeline

Project Budget

- 11.1 The following Table 1 below outlines the capital funding required to fund the work streams included in the Initiation Phase and Design & Consultation Phase of the South Dock Bridge Project up to September 2018.

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Land Ownership Assessment	£15,000	CIL	Capital
Public Consultation	£20,000	CIL	Capital
Compulsory Purchase Legal Advice	£50,000	CIL	Capital
Commercial Impacts Assessment - Moorings	£15,000	CIL	Capital
Planning Impacts Assessment	£120,000	CIL	Capital

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Contingency	£50,000	CIL	Capital
Total	£270,000		

Project Management

- 11.2 The project will have two project managers; one under the Infrastructure Planning Team representing the 'client', and the other will be under the Capital Delivery Team acting as 'delivery' project manager. Please refer to the Programme Overview PID for more details.

Financial Profiling

Table 2					
Financial Profiling					
Description	17/18				Total 17/18
	Q1	Q2	Q3	Q4	
Land Ownership Assessment				£15,000	£15,000
Compulsory Purchase Legal Advice				£12,500	£12,500
Public Consultation				£20,000	£20,000
Contingency				£10,000	£10,000
	18/19				Total 18/19
	Q1	Q2	Q3	Q4	
Compulsory Purchase Legal Advice	£12,500	£12,500	£12,500		£37,500
Commercial Impacts Assessment - Moorings	£15,000				£15,000
Planning Impacts Assessment	£120,000				£120,000
Contingency	£10,000	£10,000	£10,000	£10,000	£40,000
Total 17/18 – 18/19					£270,000

Outputs/Milestone and Spend Profile

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Prepare & finalise Communication & Public Consultation Management Strategy	In-house	31 st December 2017
2	Finalise detailed design for public consultation	Separate PID	31 st December 2017
3	Appoint public consultation consultants	£20,000	31 st December 2017
4	Undertake Public consultation	(as above)	February-March 2018
5	Investigate land ownership - procure external consultants if required	£15,000	31 st December 2017
6	Complete land ownership assessment	As above	30 th March 2018
7	Appoint consultants for Commercial Impact Assessment – moorings	£15,000	30 th March 2018
8	Finalise Commercial Impact Assessment	(as above)	30 th June 2018
9	Complete detailed design	Separate PID	30 th September 2018
10	Procure Planning consultants	£120,000	31 st March 2018
11	Preparation of Planning Application & Planning Impacts Assessments	(as above)	30 th September 2018
12	Expert Legal Advice – CPO & Negotiations Support	£50,000	December 2018
13	Contingency	£50,000	n/a
Total		£270,000	

12.0 Project Team

- 12.1 The majority of the work for these phases will be completed by the Client Team (Jas Mahil- Sandhu) supported by the wider project team, the project board and procured consultants.
- 12.2 Please Refer to South Dock Bridge Programme Overview PID for further details.

13.0 Project Reporting Arrangements

Table 4			
Group	Attendees	Reports/Log	Frequency
South Dock Bridge Project Board	Numerous – defined in ToR.	Highlight/Monitoring Report	At least bi-monthly
Asset Management & Capital Board	Numerous – defined in ToR.	Highlight/Monitoring Report	As required
IDSG Sub Group	Numerous – defined in ToR.	Monitoring Report	As required
IDSG	Numerous – defined in ToR.	Monitoring Report	As required
IDB	Numerous – defined in ToR	Monitoring Report	As required

14.0 Quality Statement

- 14.1 Quality standards will be defined in accordance with London Borough of Tower Hamlets’ standards. All delivery will be procured and managed to the quality required by the Council.

15.0 Key Risks

- 15.1 The Key project risks for these phases are set out in table 5 below; these project risks will be developed as the project progresses. The wider projects risks are set out within the Programme Overview PID for the South Dock Bridge.

Table 5

Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	The detailed design of the bridge does not meet the Council's expectations	Not adequately briefing consultants working on the detailed design could result in unsatisfactory outcomes	The programme would be set back if work needs to be re-done to the required specifications	Having a clear brief and properly briefing consultants at the outset and providing updates on the progress of the detailed design at South Dock Bridge Project Board meetings to feed in comments from the board, will help to minimise this risk	2	3	6
2	Lack of support for the bridge during public consultation	Not undertaking adequate consultation or sending out positive messages around the project	Objections to the project at planning application stage or general negativity around the project	Procuring a professional consultation firm to implement a thorough and inclusive public consultation exercise for the bridge and working with the Council's Communications team to send out a positive message around the proposals, will help minimise this risk	2	4	8
3	Over-spend occurring for certain tasks	Certain tasks may cost more than projected	Less resource will be available for other phases of work	Monitor budgetary spend and aim to procure the most cost effective outcomes for the	2	2	4

Table 5							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
				workstreams			

16.0 Key Project Stakeholders

16.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.

Table 6			
Key Stakeholders	Role	Communication Method	Frequency
Mayor John Biggs	Corporate Management	Briefing meetings	Quarterly
Deputy Mayor Jules Pipe	Deputy Mayor for planning & regeneration	Briefing papers	Quarterly
Cllr Rachel Blake	Lead member for Strategic Development	Briefing meetings	Quarterly
Local Ward Councillors	Local representatives	Briefing papers	As needed
Infrastructure Delivery Steering Group	Project direction & advice	Briefing meetings	As needed
TfL: Patricia Charlton	Strategic Planning Partner	Email & telephone	As needed
Mike Nisbet: Berkeley Homes	Affected landowner	Email, telephone & Consultation meetings	As needed
Jason Larkin: Canary Wharf Group	Affected landowner	Email, telephone & Consultation meetings	As needed

Table 6			
Key Stakeholders	Role	Communication Method	Frequency
Stuart Mills: Canal & River Trust	Affected landowner	Email, telephone & Consultation meetings	As needed

17.0 Stakeholder Communications

17.1 As set out above. A Communications & Public Consultation Management Strategy will be prepared for the project which will provide further details on stakeholder and public engagement.

18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director for Place & Building Control	Owen Whalley		

Project Closure

[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]

Appendices

Project Closure Document

Project Closure Document							
1.	Project Name:						
2a.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
2b.	<ul style="list-style-type: none"> Key Outputs <i>[as specified in the PID]</i> Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i> Employment & Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i> 						
3a.	Timescales I confirm that the project has been delivered within agreed time constraints.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
3b.	<ul style="list-style-type: none"> Milestones in PID <i>[as specified in the PID]</i> Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i> Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback) 						
4a.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
4b.	<ul style="list-style-type: none"> Project Code Project Budget <i>[as specified in the PID]</i> Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i> Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i> 						

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 	----- -----			
	<ul style="list-style-type: none"> • Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> 	----- -----			
	<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 	----- -----			
	<ul style="list-style-type: none"> • Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> 	----- -----			
	<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 	----- -----			
	<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 				

9.	<p>Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>		
10.	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.		
	Sponsor (Name)		Date
	Project Manager (Name)		Date

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PROJECT INITIATION DOCUMENT

(October 2017)

**Route 108 - Bow Enterprise Park Development Bus Service
Enhancement**

Version Control

[Please log the versions of the PID as it moves through the IDF process. This is to ensure that the correct/final version is signed and submitted for reporting.]

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Stephen Walker, Principal Transport Planner, TfL	<i>Initial draft</i>	26-Jun-17
<i>0.2</i>	Vicky Allen, LBTH	<i>Comments on initial draft</i>	20-Jul-17
<i>1.0</i>	Stephen Walker, TfL	<i>Final version</i>	01-Aug-17
<i>1.1</i>	Stephen Walker	<i>Further version following IDSG Finance Sub-cttee discussion</i>	17-Oct-17

Project Initiation Document (PID)

Project Name:	Route 108 - Bow Enterprise Park Bus Service Enhancement		
Project Start Date:	1 October 2016	Project End Date:	30 September 2017 (in terms of s106 funding – the project will continue beyond this date)
Relevant Heads of Terms:			
Responsible Directorate:	TfL		
Project Manager:	Stephen Walker, TfL		
Tel:	020 3054 0549	Mobile:	n/a
Ward:	Bromley South		
Delivery Organisation:	TfL		
Funds to be passported to an External Organisation? ('Yes', 'No')	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier of Services:	TfL		
Is the relevant Lead Member aware that this project is seeking approval for funding?	Yes		
Is the relevant Corporate Director aware that this project is seeking approval for funding?	Yes		

Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No – Project is Revenue
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<u>S106</u>	
Amount of S106 required for this project:	£440,000 (excluding any interest to be paid by the developer)
S106 Planning Agreement Number(s):	Planning Ref: PA/10/01734 Referred to in Schedule 4 Section 1 part (ii) subsection (f). Also part (iv)
<u>CIL</u>	
Amount of CIL required for this project:	n/a
Total CIL/S106 funding sought through this project	£440,000 (excluding any interest to be paid by the developer)
Date of Approval:	

This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director of Place (<i>Interim Chair</i>)
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Adele Maher	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			
	GLA Decision Notice Report March 2011	Letter from GLA to LBTH explaining the Mayor's decision	
	Bus services in South Tower Hamlets	Review of bus services	
	Changes to bus services in the Isle of Dogs area (March 2016)	Consultation leaflet	
	Route 108 & D8 schedules	Bus schedules to demonstrate frequency of service	

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1.0 Purpose of the Project Initiation Document

- 1.1 Planning permission for the Bow Enterprise development was given in 2011. The associated S106 provided for £440,000 'towards public transport infrastructure provision in the vicinity of the Land' (schedule 4 section 1(ii)(f)). The S106 does not define public transport infrastructure. However the GLA decision notice paragraph 21 dated March 2011 explains that £420,000 had been agreed between TfL and LBTH for 'bus capacity'.
- 1.2 To date 2 of the 3 phases of the development have been constructed and 2 of the 3 public transport contributions triggered. It is understood the first payment was made in August 2014 and the second in July 2016. With interest this money now totals £307,821.22. The final instalment has not yet been triggered.
- 1.3 In January 2014 TfL published a review of bus services in South Tower Hamlets. This anticipated growth in demand on the Violet Road corridor i.e. the road adjacent to the development (see table 6 of the report). This demand growth was driven by a combination of new development and the expected introduction of Crossrail It also identified as a weakness that the D8 paralleled the DLR reducing the direct travel opportunities offered to people on that corridor (see Table 7 of the report). The report suggested a potential scheme to address these issues. This was swapping the 108 with the D8 so that the higher frequency 108 served the Violet Road corridor. This also created new direct travel opportunities e.g. to North Greenwich. The D8 would replace the 108 on the Blackwall Tunnel Northern Approach corridor.
- 1.4 More detailed analysis was undertaken of this suggested scheme and in March 2016 consultation was undertaken to swap the D8 and 108 routeings (see consultation document). In October 2016 the scheme was implemented and routes 108 & D8 were swapped and larger buses procured to operate on both routes.
- 1.5 This project directly benefits the Bow Enterprise Park development by creating additionality – namely higher capacity, higher frequency, longer hours of operation and new direct travel opportunities. More specifically space for passengers per hour in each direction Monday to Saturday daytimes from 275 to 420 – a 53% increase. (In fact in the busiest hour, busiest direction the increase is higher still). Bow Enterprise Park also receives a higher frequency (6 buses per hour rather than 5 bph) meaning less wait time at the bus stop. Frequencies also improved on Sundays and all evenings. The scheme also introduces a 2 bph night service past the site where previously there was none. Finally the scheme introduced new, direct travel opportunities e.g. North Greenwich and other locations south of the river.

- 1.6 The scheme also creates additionality beyond the development site. Route D8 has been converted to double deck buses (previously single deck) and new direct journey opportunities from Blackwall Tunnel Northern Approach created e.g. to Canary Wharf & Crossharbour).
- 1.7 The scheme provides additional capacity overall and better targeted capacity to mitigate anticipated growth in demand from new development like Bow Enterprise Park. It also contributes to the sustainability of the development by providing a higher quality of bus service e.g. new direct travel opportunities. The scheme is also value for money generating an estimated £820,000 of passenger benefit per annum or alternatively £1.90 worth of benefit for every £1 spent.
- 1.8 Funding from the development should have been secured at the time of consultation but through an oversight this was not done. This PID rectifies this.
- 1.9 This Project Initiation Document (PID) will define the Route 108 project and bring together the key components needed to start the project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:
 - Justify the expenditure of S106 contributions on the named project which will provide the IDSG with a sound basis for their decision;
 - Provide a baseline document against which the Project Team, Project Manager (and in some cases) the Project Board can assess progress and review changes.

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the Council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the Council's Regulation 123 List.
- 2.3 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.4 Section 106 (S106) of the Town and Country Planning Act 1990 allows a LPA to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated, between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.5 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the development at Bow Enterprise Park, Cranwell Close, London E3 PA/10/01734.
- 2.6 The agreement dated 28 September 2011 obliged the developer to pay the Council £440,000 'towards public transport infrastructure provision in the vicinity of the site'. The appropriate parts of the s106 can be found in Schedule 4 Section 1 part (ii) subsection (f). Also part (iv) of schedule 4 Section 1.
- 2.7 The first contribution was received in August 2014 and the second in July 2016. The final contribution has yet to be triggered. It is time limited for a period of 10 years according to schedule 12 from practical completion of the development

Planning Applications	Site Address	Funding Requirement	PA Amount	Amount Received	Amount allocated to Project	Date Contribution Received	Expiry Note of Contribution
PA/10/01734	Bow Enterprise Park Development, Cranwell Close, London	Towards public transport infrastructure provision in the vicinity of the site	£440,000 + indexation	£307,821.22	£440,000 + indexation	14/08/14 & 22/07/16	expended in full or committed within 10 years from date of practical completion of the whole development

2.8 The remaining £127,179.78 is expected to be paid, by the developer with any indexation once the development reaches practical completion. Once these funds are received they will be passed to TfL. TfL have provided their agreement that these funds will only be passed once received from the developer, and should the funds not be received by the Council, there will not be the expectation on behalf of TfL for these funds to be provided.

3.0 Equalities Analysis

3.1 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

3.2 The London Bus network promotes equalities through being available to all and through features such as fares policy (e.g. free for children) and accessible vehicle design.

4.0 Legal Comments

4.1 Legal Services considers the Route 108 – Bow Enterprise Park Development Bus Service Enhancement Project to satisfy the terms of the S106 agreement set out at paragraph 2.7 above.

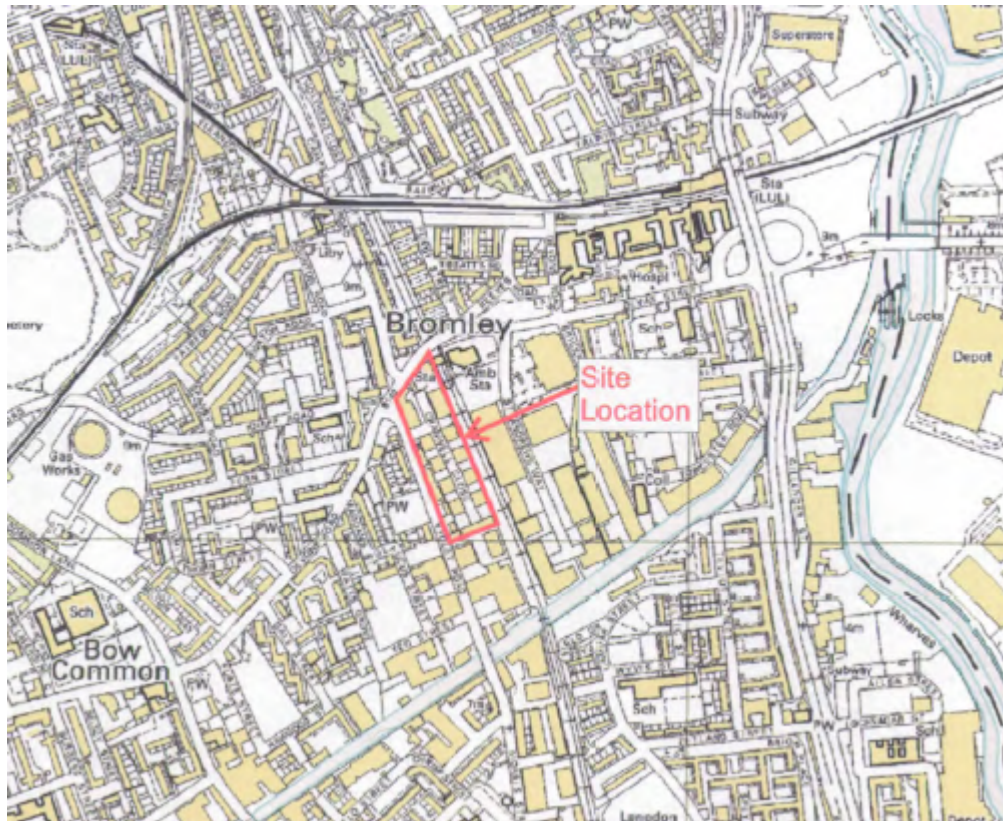
4.2 PA/10/01734 requires the contribution and any interest accrued on that contribution to be used towards public transport infrastructure provision in the vicinity of the land. The project overview at section 5 helpfully explains that the 108 bus shall be re-routed so that it serves the Bow Enterprise Park Development and the capacity and frequency of the 108 bus service shall be increased as a result of this project. It is clear that this project is taking place within the vicinity of the site and the effect of such change will see an improvement in public transport infrastructure. The s106 agreement already provides for the money to be paid to Transport for London for

them to carry out such improvements and so as this money is being passported it is not considered to be a grant.

- 4.3 Legal Services considers the funding for this PID to be in accordance with the purposes for which the contribution was secured under the S106 agreement.
- 4.4 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty. The positive equality impacts are addressed in the above paragraph.
- 4.5 These comments are limited to addressing compliance with the terms of the S106 agreement mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

5.0 Overview of the Project

- 5.1 The scheme re-routes the 108 bus past the site to replace route D8 (which instead operates on the previous 108 alignment). The project provides additional bus capacity and frequency in the vicinity of the site throughout the day and week including at night. It also creates new direct travel opportunities. This mitigates the impact of the development through the provision of higher quality public transport infrastructure for residents of the new development. This encourages more sustainable travel choices and prevents a reduction in public transport quality for existing users e.g. reduces the risk of crowding on buses. (The scheme also increases capacity on route D8 by using larger vehicles - 87 capacity double deck buses compared to 55 capacity single deck buses as previous. It also creates new direct travel opportunities). The overall impact of the scheme is to create an estimated £820,000 worth of passenger benefit per annum.



6.0 Business Case

Overview/General

- 6.1 The business case for the development is to provide increased capacity to mitigate projected new demand from new development, provide more people with reduced wait times and create more new trips by providing new direct travel opportunities for local residents.

Project Drivers

- 6.2 A driver behind the project is planned population growth in this part of London. The development at Bow Enterprise Park will result in the erection of new residential buildings of between three and 20 storeys equating to 557 residential properties. Phase 1 has completed, providing 259 dwellings and nine commercial units. Phase 2/3 is in construction phase and will result in a further 154 residential units. Construction of the remaining 144 units is likely to commence in the near future. The extra population establishes the need for improved bus services servicing this area.

- 6.3 The scheme is in accordance with the Mayor's Transport Strategy to provide a good public transport experience that can encourage and cope with more passengers. The transport strategy recognises that the flexibility of the bus network is a good way of providing convenient public transport options in areas of London that are changing through growth because of new housing developments.
- 6.4 The project was implemented on 1 October 2016 following statutory consultation and procurement of the service change (new routeing and larger buses) through the tendering of the 108 contract (which commenced on 1 October 2016).
- 6.5 The S106 clearly has in mind improving bus capacity (see GLA letter). The other bus route that operates close to the site is the 323. This route currently has sufficient capacity. LBTH have requested an understanding of how increasing the frequency of the 323 would compare with the actual scheme. Increasing the peak frequency of the 323 has an estimated cost benefit of 0.8 to 1 which would not meet TfL criteria. The reason for this is that the benefit derived is essentially reduced wait time. Due to the low usage relatively few would derive benefit from the increased frequency resulting in the benefit being insufficient to justify the additional cost.

Deliverables, Project Outcomes and Benefits

- 6.6 The deliverable is route 108 operating past Bow Enterprise Park development at 6 bph Monday to Saturday daytimes (with 1 additional journey on the busiest peak hour); 4 bph Sunday daytimes and all evenings and 2 bph during each night using 70 capacity single deck buses. This deliverable has been achieved since 1 October 2016.
- 6.7 The benefits are:
- less waiting time for passengers at bus stops due to higher frequencies
 - reduced risk of crowding on buses due to larger buses being used
 - New direct travel opportunities e.g. to North Greenwich
 - Introduction of a new night bus to the Violet Road area.
- 6.8 The expected outcome of the scheme is increased travel from the new development by sustainable means.

Other Funding Sources

- 6.9 The project fulfils the specific s106 obligation to fund public transport infrastructure in the vicinity of the site. Once the s106 is exhausted the project will be funded by

TfL going forward. However it should be noted that there is still one instalment of the S106 still to be received.

Related Projects

6.10 The bus network is kept under regular review. The s106 for Bow Enterprise Park also included the requirement to implement a travel plan and monitor it.

7.0 Approach to Delivery and On-going Maintenance/Operation

7.1 As noted in section 1 there was a failure to realise at the time of the consultation on the scheme that funding was available to fund the service. This PID rectifies this. The project was delivered in October 2016. The continued delivery of the bus service is as per TfL standard procedures. The s106 also made provision for the developer to implement and monitor a travel plan.

8.0 Infrastructure Planning Evidence Base Context

8.1 Paragraph 6.1 of the Transportation, Connectivity and Public Realm Infrastructure chapter in the Infrastructure Delivery Framework: Evidence Base identifies a need to invest in existing and new public transport to ensure capacity can respond to increased demand. Whilst the Evidence Base classifies borough-wide bus service enhancements (medium term) as 'Critical Enabling', the Evidence Base does not reference specific locations or projects within the route network. As such, it is recommended that decision makers consider whether the project responds to increased demand for public transport in the specific area where expenditure is proposed.

8.2 The PID describes in Section 5.0 that the new bus route was introduced in October 2016 to respond to growth in the area, particularly the Bow Enterprise Park Development which includes 557 new residential units. The project is therefore considered to be supported by the Evidence Base.

9.0 Opportunity Cost of Delivering the Project

9.1 The project fulfils the specific s106 obligation to fund public transport infrastructure in the vicinity of the site. The scheme is a cost effective way to mitigate the impact of the development. At the present time the likelihood is that the alternative to not funding the scheme is to return the money to the developer meaning less money to

spend on bus service enhancements more generally.

10.0 Local Employment and Enterprise Opportunities

10.1 The project proposes the relocation of a bus route which provides limited opportunities for employment via procurement. However, the proposed route, provides links 24/7 to jobs and educational opportunities.

11.0 Financial Programming and Timeline

Project Budget

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Bow Enterprise s106	£307,821.22	S106	Capital
Total	£307,821.22		

Project Management

TfL will manage the project.

Financial Profiling

Table 2									
Financial Profiling									
Description	2017/18				2018/19				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Route 108				£307,821.22					£307,821.22
Total				£307,821.22					£307,821.22

Notes:

The s106 provides £440,000 (plus interest) for bus services payable in three instalments when the relevant conditions have been triggered. Currently only two instalments have been triggered. With interest these total £307,821.22. It would be appropriate to fund this scheme with the remaining s106 money should it be triggered within a reasonable timeframe.

The first two instalments were triggered in August 2014 & July 2016 respectively. The project commenced on 1 October 2016.

The net cost of the project (gross cost minus fares revenue) is £430,397 per annum.

Therefore in Year 1 (1 October 2016 – 30 September 2017) the full £307,821.22 will be exhausted. In the event that the final instalment is triggered then the project would be eligible to utilise that funding. Thereafter the project will be funded by TfL

for the foreseeable future.

Outputs/Milestone and Spend Profile

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Review bus services	In house	January 2014
2	Evaluate route 108 / D8 scheme	In house	June 2015
3	Consult on 108 / D8 scheme	In house	March 2016
4	Implement bus service change	£307,821.22	1 October 2016
Total		£307,821.22	

12.0 Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor:
- Project Manager (LBTH): Vicky Allen
- Project Manager (TfL): Stephen Walker

13.0 Project Reporting Arrangements

Table 4			
Group	Attendees	Reports/Log	Frequency
IDSG Sub Group	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDSG	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDB	Numerous – defined in ToR	Monitoring Report	Quarterly

14.0 Quality Statement

14.1 TfL monitors bus service quality in terms of reliability. This is published on the TfL website.

15.0 Key Risks

15.1 The key risks to this project are set out in the Table 6 below:

Table 5							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	Inability to continue running the higher level of service once s106 funding has been spent	When s106 funding has been spent	Less capacity and / or frequency in the vicinity of the development	On-going review of the bus network	1	1	1

16.0 Key Project Stakeholders

16.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.

Table 6			
Key Stakeholders	Role	Communication Method	Frequency
LBTH stakeholders – public realm and s106 monitoring	Enforcement	E-mail	As required
Local residents	Will benefit from increased bus frequency	On-line publicity and info at the bus stop.	On-going.

17.0 Stakeholder Communications

17.1 Significant consultation was undertaken regarding the bus service change including

meetings with LBTH members, LBTH officers, public drop in exhibition and a public consultation exercise. The service change has been publicised using standard TfL procedures.

18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director, Planning & Building Control	Owen Whalley		

Project Closure

[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]

Appendices

Project Closure Document

Project Closure Document							
1.	Project Name:						
2a.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
2b.	<ul style="list-style-type: none"> Key Outputs <i>[as specified in the PID]</i> Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i> Employment & Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i> 						
3a.	Timescales I confirm that the project has been delivered within agreed time constraints.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
3b.	<ul style="list-style-type: none"> Milestones in PID <i>[as specified in the PID]</i> Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i> Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback) 						
4a.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
4b.	<ul style="list-style-type: none"> Project Code Project Budget <i>[as specified in the PID]</i> Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i> Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i> 						

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes		No	
		Yes		No	
		Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
		Yes		No	
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
		Yes		No	
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 	----- -----			
	<ul style="list-style-type: none"> • Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> 	----- -----			
	<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 	----- -----			
	<ul style="list-style-type: none"> • Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> 	----- -----			
	<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 	----- -----			
	<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 				

9.	<p>Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>										
10.	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor (Name)</td> <td style="width: 40%;"></td> <td style="width: 15%;">Date</td> <td style="width: 15%;"></td> </tr> <tr> <td>Project Manager (Name)</td> <td></td> <td>Date</td> <td></td> </tr> </table>			Sponsor (Name)		Date		Project Manager (Name)		Date	
Sponsor (Name)		Date									
Project Manager (Name)		Date									

PROJECT INITIATION DOCUMENT

October 2017

**BRICK LANE REGENERATION – PHASE 2
PROJECT DELIVERY**

Version Control

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Alex Hatt, Infrastructure & High Streets Project Officer	Initial draft to Programme Manager	05/10/17
0.2	Andy Simpson, Business Improvement & Programme Manager	Initial comments on Version 0.1	06/10/17
0.3	Alex Hatt, Infrastructure & High Streets Project Officer	Draft for legal comments	19/10/17
0.4	Alex Hatt, Infrastructure & High Streets Project Officer	Draft for legal comments	20/10/17
0.5	Fleur Francis, Team Leader – Planning Legal	Draft with legal queries	24/10/17
0.6	Alex Hatt, Infrastructure & High Streets Project Officer	Draft following legal queries	24/10/17
0.7	Sophie Chapman, Solicitor	Draft with legal comments	26/10/17
0.8	Alex Hatt, Infrastructure & High Streets Project Officer	Amended draft following legal comments	02/11/17
0.9	Sophie Chapman, Solicitor	Draft with updated legal comments	15/11/17
0.10	Alex Hatt, Infrastructure & High Streets Project Officer	Amended draft following legal comments	16/11/17

Project Initiation Document (PID)

Project Name:	BRICK LANE REGENERATION – PHASE 2		
Project Start Date:	January 2018	Project End Date:	April 2019
Relevant Heads of Terms:			
Responsible Directorate:	Place		
Project Manager:	Rachel Jenman		
Tel:	0207 364 6854	Mobile:	07984 277626
Ward:	Spitalfields and BanglaTown and Weavers wards		
Delivery Organisation:	Economic Development		
Funds to be passported to an External Organisation?	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	Clarification required on Shop Front Element and Delivery Brick Lane Art Installation by THH		
Supplier:	London Borough of Tower Hamlets		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No		
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')			

S106	
Amount of S106 required for this project:	£1,143,404.24
S106 Planning Agreement Number(s):	PA/09/00965, PA/12/00771 PA/12/01977, PA/12/00558, PA/11/02220 PA/13/00697, PA/15/01231, PA/10/01049
CIL	
Amount of CIL required for this project:	Nil
Total CIL/S106 funding sought through this project	£1,143,404.24
Date of Approval:	

This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director, Place (Chair)
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer

LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader
LBTH – Place	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Acting Divisional Director, Property & Major Programmes
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH - Place	Hannah R Murphy	Principal Growth & Infrastructure Planner

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			
BL1	Brick Lane Audit	Audit of Brick Lane District Centre	Economic Development
BL2	Brick Lane Area Profile	Detailed information and story map of Brick Lane	Economic Development

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1.0 Purpose of the Project Initiation Document

1.1 This Project Initiation Document (PID) will define the Brick Lane Regeneration – Phase 2 project and bring together the key components needed to start the project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:

- Justify the expenditure of S106 contributions on the named project, which will provide the IDSG with a sound basis for their decision; and
- Provide a baseline document against which the Project Team, Project Manager, and (in some cases) the Project Board, can assess progress and review changes.

1.2 The Brick Lane Regeneration project aims to deliver a holistic regeneration programme for the Brick Lane area, which is defined as from the bottom of Osborn Street (Whitechapel High Street) to the top of Brick Lane (Redchurch Street and Bethnal Green Road). The activity will include linking up Brick Lane with other major visitor attractions such as Spitalfields Market and Petticoat Lane. It will also look to develop cultural trails and activities that bring footfall into Brick Lane from cultural facilities such as Rich Mix and Whitechapel Gallery.

1.3 The key aim of the project is to improve Brick Lane – particularly the part south of the Truman Brewery – and return it to be:

- A vibrant and diverse local economic centre;
- An important focus for local communities, particularly the Bengali community;
- A major visitor and tourist destination; and
- The home of a lively night-time economy.

1.4 The Brick Lane Regeneration project has been implemented across two phases. Phase 1, which began in October 2016 and is due to be completed by October 2017, was designed to deliver feasibility work to determine which capital and

revenue improvements would deliver the most appropriate improvements for Brick Lane, as well as undertaking a number of early win projects that had previously been scoped, including the replacement of street lighting along Brick Lane, a programme of shopfront improvement works, and the delivery of a community safety pilot project. The feasibility work included studies by a range of consultants, looking at the public realm, streetscape, wayfinding, markets, community safety, shopfronts, and vacant units. Phase 1 also included a range of consultative methods to inform the feasibility work, including the formation of the Brick Lane Regeneration Partnership (BLRP), which brings together representatives from different interest groups to share knowledge, engage in consultation activities, and help develop a vision for the Brick Lane town centre. New approaches have been piloted to develop new enterprise and entrepreneurship in the area, including pop-up shops, food courts, and trail trading, including pilots to extend the current market offer through the creation of a new market on Cheshire Street. A programme of cultural events has been delivered, including a Food Festival, Christmas lighting and Christmas events in the latter half of 2016. Throughout Phase 1, performance management measures have been implemented to ensure that the improvements are having the impact required through the Association of Town and City Management (ATCM) key indicators of a successful Town Centre. The Phase 1 work has been delivered by a small team (1.5 FTEs), which will continue forward to deliver Phase 2 of the project.

- 1.5 Phase 2, for which this PID has been produced, is the major delivery phase of the project, delivering a range of capital and revenue improvements identified within the feasibility work undertaken during Phase 1. Key projects that will be delivered will include improvements to the public realm through surface changes and removal/replacement of street furniture; alterations to traffic management including closure of the majority of Brick Lane and part of Hanbury Street, initially on Sundays, with a potential extension to Saturdays; a series of wayfinding projects to improve visibility and connectivity to surrounding areas; open space improvements to Allen Gardens; the delivery of further shopfront improvement projects; continuing to bring vacant units back into use; and a series of activities and events delivered around the proposals to promote the project and draw in community support. Phase 2 will also see the BLRP supported in taking ownership of the Improvement Plan and taking a leadership role in its delivery, with the ultimate goal of ensuring that there is continued action in the area once the S106 funding ends.

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations / S106 agreements are legal agreements negotiated, between an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the Council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the Council's Regulation 123 List.
- 2.3 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.4 The Directorate of Place in Tower Hamlets Council has put in place a corporate structure, leading to a transparent process for assessment, negotiation, agreement, and expenditure and monitoring of Section 106 resources.
- 2.5 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the developments at:

Table of S106 Contributions

- 2.6 The table overleaf outlines the full extent of the S106 contributions proposed to be used.

Planning Application	Site Address	Expiry Date	Expiry Date Note	Funding Requirements	Amount Received	To allocate
PA/09/00965	Goodman's Fields	02/11/2021	10 years from receipt of the contribution (23/12/2011)	Public realm improvements in the vicinity of the development	£606,464.25	£599,346.40
PA/12/00771	22 – 28 Underwood Road	TBC	Expended or committed within 10 years from date of practical completion	Towards additional streetscene and built environment improvements	£26,438.05	£8,024.00
PA/12/01977	Challenger House, 42 Adler Street	TBC	10 years from practical completion	Towards public realm in the general vicinity of the development	£59,040.00	£39,040.00

PA/12/00558	Bishops Court, 27 – 33 Artillery Lane	TBC	10 years from practical completion	Towards public realm improvements in the vicinity of the development including but not limited to footway and carriageway improvements, street lighting, signage, safety and security, bins, landscape and general public realm works as well as heritage and conservation improvements	£63,912.57	£13,914
PA/11/02220	London Fruit and Wool	TBC	Expended in full or committed within 10 years from the date of practical completion of whole development	Towards heritage improvements in the vicinity of the land	£418,033.88	£418,033.88

PA/13/00697	6 – 8 Boulcott Street	TBC	Expended in full or committed within 10 years from date of practical completion	Public open space improvements in the borough	£42,077.82	£21,936.66
PA/15/01231	121 Vallance Road	TBC	Expended or committed within 10 years from the date of practical completion of the whole development	Towards the provision of new or improvements to existing employment, skills, training and enterprise facilities and/or initiatives for commercial roles in the borough	£34,317.42	£34,317.42
PA/10/01049	Central Foundation Girls School	27/05/2021	Expended in full or committed within 5 years from date of payment	Employment and enterprise initiatives and training in the Borough	£8,791.88	£8,791.88
Total to allocate:						£1,143,404.24
Total required:						£1,300,404

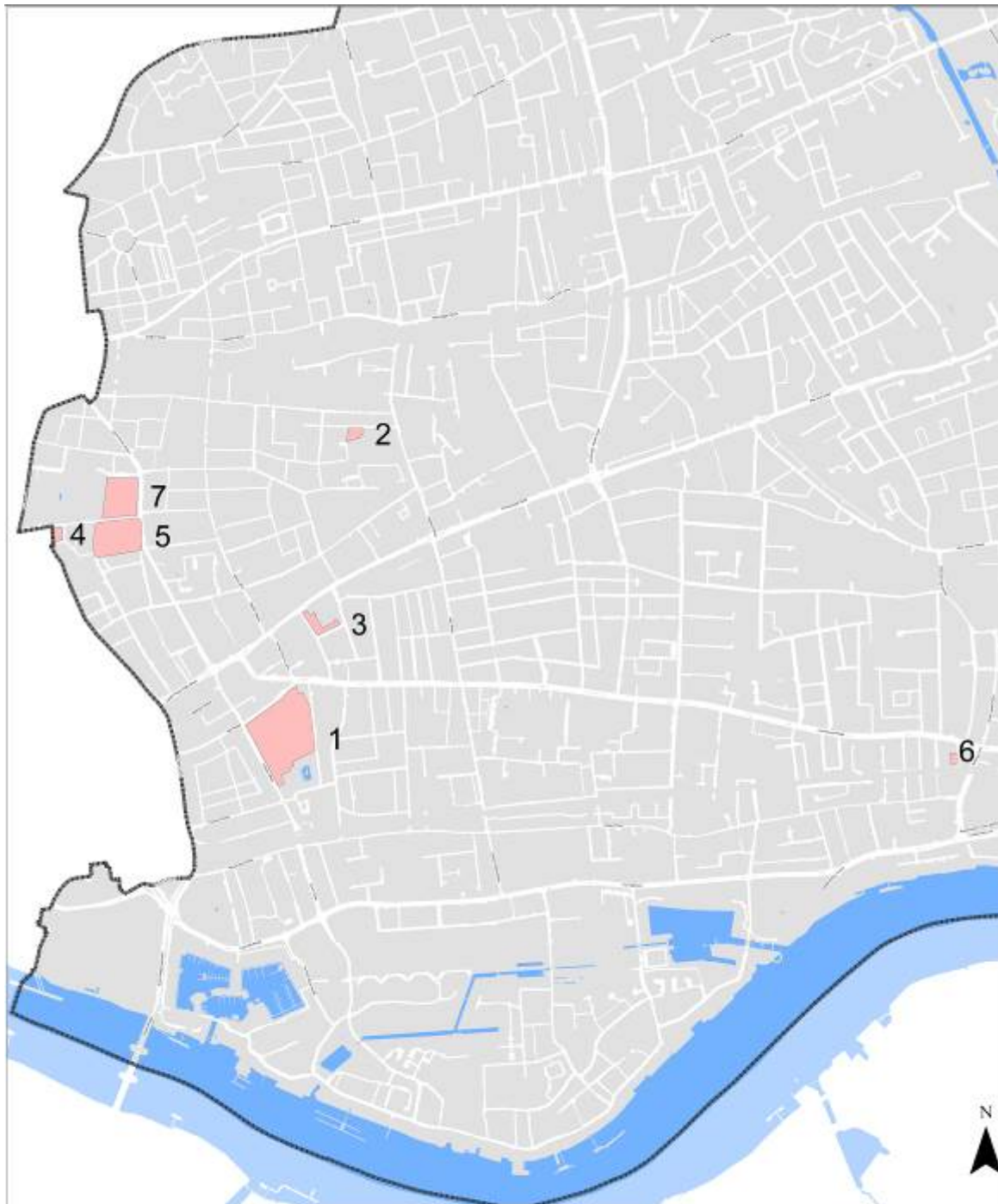


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- 2.7 In addition to the S106 identified above, £122,629 of unspent S106 allocated as part of PID 1 will continue to be used to fund staff costs to allow for the continued delivery of Phase 1 and its legacy and begin to deliver Phase 2.
- 2.8 A number of the deliverables identified within the feasibility studies procured during Phase 1 will be undertaken through other PIDs currently in progress within the Council. More details of these PIDs are provided in Section 4.6

CIL



- 2.9 This project does not seek approval for the expenditure of CIL funding.



Brick Lane Regeneration

Phase 2: Planning Application Locations & Boundaries

- 1) PA/09/00965 (Goodman's Fields)
- 2) PA/12/00771 (22 – 28 Underwood Road)
- 3) PA/12/01977 (Challenger House, 42 Adler Street)
- 4) PA/12/00558 (Bishops Court, 27 – 33 Artillery Lane)
- 5) PA/11/02220 (London Fruit and Wool)
- 6) PA/13/00697 (6 – 8 Boulicott Street)
- 7) PA/02/01212 (Homer Buildings)

 Borough Boundary
 Planning Application Boundary


 GIS for
 Place Directorate
 Date: 10/10/2017
 Scale @ A0: 3,296



0 0.05 0.1 0.2 0.3 0.4 Miles

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Plan 1: PID 2 PA Locations & S106 Boundaries

3.0 Equalities Analysis

3.1 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity, and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

3.2 The proposed works to Brick Lane will bring a number of benefits to ensure equal opportunity. This includes:

- Streetscape improvements, including incorporation of smooth setts at crossings to assist the visually impaired, and rough setts on the highway to slow traffic and aid pedestrian movement and increase accessibility. In encouraging walking and cycling as opposed to vehicular traffic, the project aims to create more accessible conditions for pedestrian and cyclist travel along Brick Lane;
- Decluttering the street furniture will aid accessibility along the street;
- Wayfinding improvements to assist with accessibility through the area.

4.0 Legal Comments

- 4.1 This project seeks to use a variety of contributions from different s106 agreements and officers have been advised that as the contributions are intended for different purposes, i.e. public realm, heritage improvements, etc. these contributions will need to be ring-fenced to the sections of the project to which they relate. Alternatively, officers may need to consider alternative funding sources if it should transpire that the amount of the contribution being used is no longer proportionate to the element of the project to which it relates.
- 4.2 PA/09/00965, PA/12/01977, PA/12/00558 are contributions which require the money to be spent towards public realm improvements in the vicinity of the development. There is no legal definition of what something means to be considered within the “general locality” and so the factors to consider include: proximity, accessibility, the availability of other such facilities and the extent to which occupiers of the land can reasonably be expected to be served by the project. Brick Lane is an iconic area in East London which is situated only a short walk away from the developments to which these contributions relate. It is reasonable to assume that residents living in these developments will visit Brick Lane and will benefit from the regeneration of the area. Legal Services is satisfied that this supports the proposition the improvements are in the vicinity of the development.
- 4.3 PA/11/02220 is another contribution which is also to be spent in the vicinity of the land and is to be used towards heritage improvements. Following on from our comments above, Brick Lane is situated a short walk away from this development and is a cultural hub which will serve residents living at this site. Legal Services is also satisfied that the improvements are in the vicinity of the development.
- 4.3 It is noted that some of the contributions to be drawn from these agreements shall be used to fund 50% of the costs of improving shopfronts in the area. The terms of these agreements do not specify the individual organisations to which contributions can be paid and so such payments are considered to constitute grants. Therefore, as the Council is under no legal obligation or duty to provide this payment, it is discretionary and considered to be a grant. As such, approval must first be sought from the Grants Determination (Cabinet) Sub-Committee before any payment is made.
- 4.4 When approving this PID, the Council must have due regard to the need to

eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty. The positive equality impacts are outlined in the section above.

- 4.5 These comments are limited to addressing compliance with the terms of the S106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

5.0 Overview of the Project

5.1 A Brick Lane Officer Working Group (BLOWG), chaired by Councillor Josh Peck, has been brought together to oversee the development and delivery of a multi-service response to the issues identified in Brick Lane, a key location within the Brick Lane and Fournier Street Conservation Area (BLFSCA). The Terms of Reference for the BLOWG indicate that it has been established to:

1. Carry out a review of Brick Lane which meets the Mayor's commitments for the town centre. This will:
 - Explain the Council's vision for Brick Lane town centre, reflecting its range of roles;
 - Review and address the issues, challenges and opportunities facing Brick Lane town centre;
 - Consider the role of the Council, local businesses, and other stakeholders in managing and supporting Brick Lane town centre;
 - Identify a package of measures to ensure that Brick Lane town centre can continue to fulfil its identified role in a way that supports and has the support of local businesses and communities; and
 - Make recommendations about the implementation of those measures, including identifying those that the Council is best placed to lead and those that will be more appropriately led by partners.
2. Initiate those measures identified in the review as best led by the Council; and
3. Work with partners to bring about the implementation of measures identified in the review as best led by others.

The BLOWG has made good progress in terms of identifying and progressing 'early-wins', and commissioning a range of feasibility studies to identify short- and long-term projects to address issues in Brick Lane.

5.2 A number of agreed work streams have been identified which are as follows:

- Vision and offer – led by Economic Development;
- Hygiene factors – led by Public Realm;
- Management of the area – led by Economic Development;

- Community engagement – led by Economic Development and Community Safety;
- Planning and heritage – led by Planning;
- Improvement to the public realm / environment – led by High Streets & Town Centres;
- Culture and activation of the area – led by CLC; and
- Business engagement and support – led by Economic Development.

5.3 The project is being delivered in consultation with the two local Neighbourhood Plan forums and Ward Panels. Consultation is also underway with the Brick Lane Restaurants Association (BLRA), Trumans Brewery, Spitalfields Market, SPIRE (Spitalfields Regeneration), and Spitalfields Small Business Association (SSBA). In addition, a new partnership – the Brick Lane Regeneration Partnership (BLRP) – has been formed to oversee the development and delivery of the project and to take ownership of the project after the S106 funding ends.

5.4 It was agreed that the project be delivered in two phases. Phase 1, which began in September 2016 and is due to complete in October 2017, is delivering feasibility work to determine which capital and revenue improvements would deliver the most appropriate improvements for Brick Lane, as well as undertaking a number of early win projects that had previously been scoped – further information on the progress and lesson learned can be found at 5.5. Phase 2, for which this PID has been produced, will begin in January 2018 and run to April 2019, and will deliver a range of capital and revenue improvements identified within the feasibility work undertaken during Phase 1 – further information on the proposals for Phase 2 can be found at 5.6.

5.5 **Phase 1 (September 2016 to October 2017): Progress & Lessons Learned**

Phase 1 represented the feasibility and ‘early wins’ phase. It sought to achieve a range of Deliverables that would allow for a series of capital works to be undertaken during Phase 2, and to lay the groundwork for ensuring a legacy for the project through the establishment of a partnership of local stakeholders. Progress achieved against the Deliverables set out in PID 1 is as follows:

- 1.5 posts created

A Brick Lane Town Centre Manager (BLTCM) (PO4) was appointed early in Phase 1, with a supporting Project Officer appointed in September 2017, to help enable the design and delivery of the early win projects and feasibility studies.

- 1 Local partnership created of local businesses, residents and stakeholders

The BLTCM worked early on in Phase 1 to establish a Brick Lane Regeneration Partnership (BLRP), which has brought together representatives from different interest groups in the area, including community organisations, business representatives, and resident groups. The BLTCM will guide the group during the development and delivery phases of the project, and ensure that it is able to continue its work once the S106 funding has been expended.

- 1 Improvement Plan developed in consultation with Neighbourhood Forums, Ward Panels and other local stakeholders

The Feasibility Studies prepared during Phase 1 form the basis of the Brick Lane Improvement Plan, as they have been developed jointly with the BLRP and involved consultation with local residents and businesses.

- 4 Feasibility Studies procured and completed

The following Feasibility Studies were procured and completed as part of Phase 1:

Public Realm Improvement Feasibility Study & Streetscape Design Guide

Produced by Landolt + Brown (L+B), the Public Realm Improvement Feasibility Study includes a detailed condition survey and review of the streetscape along Brick Lane and surrounding streets to identify priority areas for improvement. The Streetscape Design Guide outlines a series of recommendations on streetscape guidance for Brick Lane to be considered when undertaking further capital works.

Traffic Flow & Pedestrianisation Study

A review of traffic flow and pedestrianisation along Brick Lane, produced by Project Centre Ltd. Project Centre were asked to particularly focus on the possibility of pedestrianisation of Brick Lane on Sundays, and necessary traffic re-direction as a result of the closure.

Wayfinding and Connectivity Study

Produced by Steer Davies Gleave (SDG), the study sought to develop a high-level wayfinding strategy for Brick Lane, and identify a series of characterful, creative and

distinctive interventions to increase footfall and aid discovery and exploration.

Shopfront Improvements

Jan Kattein Architects were appointed to lead on the design of shopfront enhancements for Phase 1. Seven properties were identified in Phase 1 to be taken forward, in a cluster between Hanbury Street and Fashion Street. Construction work on these properties will be delivered in late 2017/early 2018. A second phase of shopfront improvements has been identified for Phase 2 (see 5.6 for further information).

- Replacing 31 lamp columns, installing festive and festoon lighting procured and designed

Following an audit of existing columns by L+B as part of their feasibility study, a total of 38 new columns will now be installed to replace existing columns, including one in an identified gap on Osborn Street. The columns will be is the 'Strand A' by DW Windsor, chosen as it is already widely used within LBTH, and does not detract from the character of the BLFSCA. The columns have been ordered and will be installed in November 2017.

- 1 Traffic management scheme agreed with local residents and designed for Fournier Street

This deliverable is being delivered by the Engineering Team under Margaret Cooper, and this has been taken into account as part of the feasibility work.

- Middlesex Street Art trail and installations agreed for Brick Lane

The PID for the Middlesex Street Art trail has been novated to the Brick Lane team, and a number of items from the SDG Wayfinding strategy concerning public art in the area will be delivered using the S106 contributions.

- A Food Festival will be delivered in October 2016

Successful Food Festival delivered in October 2016, involving businesses offering food outside premises along Brick Lane. This paved the way in showing there was interest in delivering further events with businesses and residents.

- Christmas 2016 activities will be delivered

Christmas 2016 activities successfully delivered, including Christmas light switch-on. Event will be developed further in 2017.

- Festive Lighting installed

Festive lighting was installed along Brick Lane as part of the 2016 Christmas celebrations. A set of permanent festive lights, celebrating the history of people living and working in the area, is currently being designed, and will be installed in late 2017, along with a further set of temporary Christmas lights for 2017.

- A deep clean of the area will be undertaken prior to the Food Festival and Christmas events

A series of activities have been undertaken as part of Phase 1 to increase cleanliness along Brick Lane, including the purchase of a high-pressure washer for regular deep cleans, undertaken by two new apprentices funded through Veolia, walk-through refuse collection on Sundays, and targeted removal of stickers along Brick Lane.

- 34 vacant units will be identified and discussions commenced with owners/landlords

A Carter Jonas Retail Study had identified 34 vacant units in the Brick Lane area, with a particular problem of vacant first floor units. A project has been initiated with the Council's Enterprise team to explore a legacy project to help local businesses and artists to move into these spaces, which will be expanded upon in Phase 2.

- A cultural and activities programme will be developed including involvement in the Mela 2017

A range of activities have been planned/delivered as part of Phase 1, including Christmas 2016 & 2017 events, involvement in the Mela 2017 festival, and involvement with 'The Hamlets' pop-up cinema.

- Proposed improvements to Brady Street and Kobi Nasrul Centres will be identified by CLC working with Asset Management

Early feasibility work was undertaken with the Kobi Nasrul and Brady Centres to determine what refurbishments and improvements were required. Following this,

works have been undertaken, including refurbishments of the toilet facilities and the installation of theatre lighting.

- Business support activity provided to 11 restaurants & 11 businesses undertake food hygiene training

Rice Marketing have been engaged as part of Phase 1 to provide targeted business support activity to 8 restaurants, including assistance with branding, online presence, and food hygiene. A workshop was held in September 2017 to identify potential areas for improvements, with a follow-up workshop planned for later in Autumn 2017 to review progress.

- 11 businesses take part in the Best Bar None initiative

11 businesses engaged by Best Bar None team within Licensing. Up-take in 2017 has been bigger after notable awards in 2017, and programme will continue into 2018, working in partnership with the Brick Lane Business Association as part of their improvement plans.

- 3 new enterprises supported

As part of the Vacant Unit pilot launch, due to begin in November 2017, we aim to support at least 3 new commercial enterprises.

- Performance management framework established and regular reports received on improvements in footfall, cleanliness, anti-social behaviour and other key areas identified

Performance management framework established as part of wider Town Centre Strategy work, providing an Evidence Base for the Brick Lane project.

- Phase 2 programme developed and agreed

The programme for Phase 2, as outlined in this PID, has been informed by the feasibility work undertaken in Phase 1.

5.6 Phase 2 (October 2017 to April 2019): Project Delivery

Phase 2 will be the capital delivery phase of the project, and will deliver a range of projects identified in the feasibility studies from Phase 1.

Works and activities to be funded by PID S106 Contributions and associated funding

The following works have been identified to take place during Phase 2, to be funded by the S106 contributions identified in Section 2.0:

Public Realm Improvements

From the works identified by L+B, the following will be delivered:

- Option B identified to address the highway issues along Brick Lane, which were identified as a high level of speeding cars, and the existing condition of the roadway and the pavement being at the same level. Option B will see these levels maintained, as they are beneficial for accessibility along the street, but will see the introduction of rough setts at junctions to provide traffic calming, with smooth setts at pedestrian crossings. This solution provides the least impact on existing services and manhole covers (as compared to lowering the level of Brick Lane), and the raised junction tables give priority to pedestrians and enforce a sense of a wider footway;
- Installation of RT 114/670 HD Marshalls heavy duty rising bollards for traffic management at various points along Brick Lane, including at the end of Osborne Street;
- Detailed design work to identify redundant and/or inappropriate street furniture and removal/replacement with appropriate alternatives where required. A detailed heritage assessment of the street furniture has been undertaken by L+B as part of the feasibility study, with key historical street furniture identified, and either restoration of these pieces or replacement in a similar style will be undertaken to ensure historic fabric retained, and to highlight their presence along the street;
- Replacement of current Brick Lane arch with newly designed alternative (or alternative to arch if deemed appropriate); and
- Installation of architectural uplighting at key points (as detailed at 4.5).

An allowance has also been made for design and contractor fees for the works, and a contingency allowance.

In addition to the works identified by L+B, a number of other public realm improvements will be implemented:

- Installation anti-terror grade bollards (as installed previously by LBTH Engineering around the borough) to protect the increased activity on streets, particularly on market and pedestrianised days.
- The Shopfront Improvement programme (explored in further detail below) is seen as a key project to improve the public realm of the area. Enhancement of shopfronts along Brick Lane can have a positive effect on the enjoyment of the public realm, encouraging people to spend more time within the local public spaces and creating a more enjoyable experience of travelling along the street.

Wayfinding

From the works identified by SDG, the following will be delivered:

- Re-naming Osborn Street as 'Lower Brick Lane' to assist with footfall from Whitechapel High Street;
- Improvements to the Whitechapel Gallery Garden, decluttering the space, maximising space for pedestrians, and creating access from the rear of the Whitechapel Gallery to Osborn Street/Lower Brick Lane;
- Commission and installation of artwork on Chicksand Street building façade;
- Use side parapet at first floor of 5 – 27 Brick Lane for art installation / feature lighting;
- Activation of Allen Gardens through public realm improvements to Pedley Street onto Brick Lane, and wayfinding to help distribute footfall and highlight presence of significant green space in area;
- Extension of the Legible London signage scheme along primary and secondary routes ensuring connectivity with existing signage locations;
- Replace and/or update the five existing cultural trail totems in place along Brick Lane to meet accessibility standards, and provide updated cultural information/content and improve awareness of the area's rich history. The current totems, which display maps of the area and provide detail on the

area's history and cultural heritage, are clad in a silver metal which can be difficult to read for some, and the information is due to be refreshed to reflect current knowledge of the area's rich heritage;

- Producing painted crossings along key routes leading to Brick Lane, building on the textile heritage tradition, delivered in partnership with Cass School of Art; and
- Update existing heritage signage (including blue plaques) and add further signs where appropriate.

Open Space Improvements to Allen Gardens

A series of improvements have been identified to improve the quality of the Allen Gardens, the main piece of public open space in the vicinity of Brick Lane. At present, the space is marked by a range of former interventions undertaken at different times, giving the space an un-coordinated feel. Through discussion with LBTH's Parks and Open Spaces teams, a range of proposals have been identified to rationalise the space and make it more welcoming to residents and visitors.

These include:

- Creation of a meadow area at the north-west corner;
- Improving the pathway through the centre of the park which currently acts as a main desire line, including lighting and landscaping;
- Rationalisation of the current children's play equipment to separate it from areas for dog exercise;
- Re-invigorating the current copse area; and
- Establishing conditions so that large scale events can take place within Allen Gardens.

The High Streets team will work closely with the LBTH CLC team and Spitalfields Farm to develop these ideas further during Phase 2 of the project.

Heritage Improvements

A significant element of the regeneration of Brick Lane is celebrating its tangible and intangible heritage, particularly as it forms the heart of the Brick Lane and Fournier

Street Conservation Area. As one of the most important historic areas in London, it contains some of the most architecturally and historically significant buildings in the Borough. The planned façade improvements will provide the opportunity to enhance the appearance of many of Brick Lane’s designated and non-designated heritage assets, whilst the streetscape works will improve the setting of buildings such as the Grade II* Brick Lane Jamme-Masjid and the Truman’s Brewery Director’s House.

Works to be undertaken in Phase 2 will seek to enhance the distinguishing character and better reveal the significance of the Conservation Area by removing modern additions, replacing elements of the public realm and improving shopfronts with interventions that are more sympathetic to the building’s age and character, and using wayfinding to highlight Brick Lane’s history. Specifically, the project will:

Undertake a second series of shopfront improvements that include the restoration and/or replacement of historic architectural detailing, such as: decorative moulding and console brackets; replacing unsympathetically designed shopfronts and signage with traditional style timber frame shopfronts and timber fascia; removal of excessive signage including signs above first floor level; and carrying out general façade decluttering in order to better reveal the architectural significance of the building.

- Update existing heritage signage (including blue plaques), and adding further signs where appropriate;
- Replace and/or update the five existing cultural trail totems in place along Brick Lane to meet accessibility standards, and provide updated cultural information/content and improve awareness of the area’s rich history. The current totems, which display maps of the area and provide detail on the area’s history and cultural heritage, are clad in a silver metal which can be difficult to read for some, and the information is due to be refreshed to reflect current knowledge of the area’s rich heritage;
- Replacement of the Brick Lane arch with a new structure to celebrate the social and cultural diversity and the intangible heritage of the area;
- Embark on a programme of decluttering existing modern street furniture along Brick Lane, restore and re-use heritage bollards unique to the area and, where required, install new street furniture in keeping with the character of the Conservation Area.

Shopfront Improvements

A further series of premises will be identified to deliver up to 10 additional shopfront improvements in the area. The improvements will be made to the historic façade, to ensure that items such as corbels or windows are replaced with suitable items that reflect the age of the building. As with Phase 1, 50% of the costs of the improvement works will be provided by businesses, and delivered by the Council on behalf of retailers.

Vacant Units

The project team will continue to work with the Enterprise team to bring back a minimum of one commercial and another first or second floor vacant unit into re-use, working with service providers to link local business and artists to vacant spaces, particularly on the first floor of premises on Brick Lane. This will aim to create a long-term legacy to promote Brick Lane as a historic area for business start-ups and the evolution of creative industries in the East End of London, including textiles and perfumery.

Consultation

As part of the detailed design stage, the project team will work with the appointed design team to undertake consultation on the final proposals with the local community to ensure there is local buy-in of the proposals, and that the works delivered are fit-for-purpose for local residents and businesses.

Complementary works funded outside of this PID

Alongside the work being undertaken through this PID, a complementary programme of works will be delivered through funding in other PIDs currently held by the Council. This work includes:

- Public realm improvements to Petticoat Lane market and associated promotional activities (delivered by the High Streets team in collaboration with the Markets Team and the City of London). These improvements will be funded through S106 contributions outlined in a separate PID – S106 Improvements to Petticoat Lane Market
- A number of additional items from the SDG Wayfinding strategy concerning public art in the area will be delivered through the Middlesex Street Public Art

Project PID, which allows for *'the provision of public art/cultural facilities in the vicinity of the [planning application] site...'*.

- The extension of Brick Lane Market to the south end of the street (delivered by the Markets Team with support from the High Streets Team); and
- Continuing community safety activities to reduce ASB and improve health and hygiene (delivered by a partnership involving High Streets, Public Realm and Enforcement).

6.0 Business Case

- 6.1 The regeneration of Brick Lane is a manifesto commitment of the Mayor. The Mayor has made a commitment to develop visions for town centres and high streets in the borough, including Brick Lane, and to carry out a dedicated review of Brick Lane.
- 6.2 While Brick Lane is successful in terms of footfall, offer and activity north of Truman's Brewery, the area to the south is struggling, with curry restaurants closing and the 'curry offer' deteriorating. Brick Lane is situated near to a number of major tourist attractions, including the Tower of London, Tower Bridge, the Whitechapel Gallery, Petticoat Lane, Columbia Road, and Spitalfields; however, visitors are not made aware of the potential cultural trails, with the March 2017 Town Centre Strategy highlighting the poor signage to Brick Lane. The Council therefore wants to highlight these links and help to support businesses in the area and to maintain the 'curry sector' in some form in Brick Lane.
- 6.3 This project therefore aims to meet the Mayor's manifesto commitment and increase the success of Brick Lane, particularly the southern half. Funding committed at Phase 1 was designed to provide sound feasibility work upon which to base a programme of delivery activity for Phase 2, which will secure further funding to deliver a vision for the regeneration of Brick Lane as a town centre.
- 6.4 The project will also support the Mayor's priority focus on Town Centres throughout the Borough. An area profile for Brick Lane has been produced as part of the Strategic Plan, and a ranking profile has been prepared as part of a Council-wide review of town centres, which will be incorporated into a performance management framework to measure improvements against a range of ATCM indicators for a successful Town Centre, and will be used in the on-going evaluation of the project.
- 6.5 The project will also seek to ensure that the area's status as one of the most important Conservation Areas in London is respected, and the public realm, wayfinding, shopfront improvement and vacant units programmes are all designed to add to the heritage value of the area through appropriate interventions, and protect the character and management guidelines of the area as outlined in the Brick Lane and Fournier Street Conservation Area appraisal.
- 6.6 Ultimately, the vision is that the project will upgrade Brick Lane to regain its status as an international visitor destination, to increase footfall in the area, and improve economic activity. It is envisaged that the delivery of projects during Phase 2 based

on the feasibility work undertaken in Phase 1 will act as a catalyst for positive change in the Brick Lane Town Centre.

7.0 Approach

- 7.1 The project brings together key Directorates within the Council with a responsibility for a range of areas, including Public Realm, Transport, Environmental Health, Market Services, Planning, Waste Management, Housing Services, Economic Development, Community Safety, and Building Control, to agree a range of interventions that will holistically regenerate Brick Lane. It is hoped that these interventions will act as a pilot approach to identify and develop good practice to be shared within the borough and beyond.
- 7.2 The development of the Area Profile for Brick Lane, and the preparatory work for the development of the Town Centre Strategy (TCS), required a review of the existing evidence base, including strategies, audits and evaluation, to identify what is currently working within Town Centres and where additional support is required. By bringing officers together from a range of areas, it has been possible to develop a more comprehensive approach to identifying what Brick Lane looks like at the current time, and how it can be improved in the future. This approach has been carried forward through Phase 1 of the project through the formation of the BLOWG, which has brought together Officers from relevant Directorates to track progress and deliver the project in a holistic manner. This joint working will continue into Phase 2, and will continue to be informed by relevant Strategy. This will include the final draft of the TCS, which is currently out for consultation.
- 7.3 Phase 1 of the project was used to identify new ways of working in areas throughout the Council, and has been used to feed into a number of Strategies under review, including the Local Plan, Veolia's contract for waste management with the Council, and the Community Safety Strategy. Work undertaken in Phase 2 will continue to test these Strategies and help to pilot and identify good practice to underpin the strategic direction proposed.
- 7.4 The project will be delivered by the Brick Lane Town Centre Manager (BLTCM), supported by a Project Officer (PO), the latter of whom will focus on capital and related delivery. Part funding for the BLTCM and full funding for the PO will be drawn from underspend from PID 1, and these costs have therefore been left separate from this PID; remaining funding required for the BLTCM has been included. These posts will continue to the end of Phase 2 of the project.
- 7.5 Works and Services as identified within the feasibility studies will be procured using the usual Council procurement route.

- 7.6 Continued progress against the Improvement Plan will be measured quarterly and reported to the BLOWG and the BLRP. This will highlight by exception any under-performing areas and will identify solutions to improve performance.

Delivering the Capital Items

Public Realm Improvements

- 7.7 Consultants will be required to prepare detailed design for the street furniture removal / replacement, and the Brick Lane Arch. This will be procured using a Request For Quotation (RFQ) via LBTH's Proactis procurement portal. The consultants will be managed by the BLTCM.
- 7.8 The capital items will be delivered through Margaret Cooper, Head of Engineering at LBTH, using appropriate Frameworks, with the exception of the architectural uplighting, which will be procured using an RFQ.
- 7.9 Appropriate LBTH officers in Parks, Engineering and Highways are regularly consulted on the progress of the project, and will be made aware of any effect on the management and maintenance of spaces and infrastructure resulting from the delivery of the capital works.

Wayfinding Projects

- 7.10 Consultants will be required to prepare detailed design for a number of the Wayfinding items, including the improvements to the Whitechapel Gallery Garden and works to Pedley Street. This will be procured using an RFQ via LBTH's Proactis procurement portal. The consultants will be managed by the BLTCM.
- 7.11 Delivery of the projects will vary depending on the nature and scope of the works being delivered. Currently, it is assumed that the projects will be delivered as follows:
- Re-naming of Osborn Street: To be delivered internally by appropriate LBTH teams;
 - Improvements to Whitechapel Gallery Garden: Design and delivery to be delivered by external consultants, engaged through RFQ process.

- Artwork to Chicksand Street façade: Internal process to be undertaken with planning to obtain consent; work to be delivered by Global Street Art.
- 5 – 27 Brick Lane Art Installation: Artist to be commissioned for design; to be delivered by Tower Hamlets Homes (THH);
- Activation of Allen Gardens through work to Pedley Street: Work to be designed by external consultant through LBTH Parks team.
- Legible London Signage: To be delivered internally by appropriate LBTH teams;
- Cultural Trail Items: Consultant to be engaged through RFQ process;
- Painted Crossings: Design to be undertaken by Cass School of Art; delivered through Margaret Cooper; and
- Heritage signage, including Blue Plaques: To be delivered in partnership with Historic England.

7.12 As with the Public Realm works, relevant LBTH officers will be made aware of any effect on the management and maintenance of spaces and infrastructure resulting from the delivery of the capital works.

Open Space Improvements

7.13 Consultants will be required to prepare detailed design for open space improvement works within Allen Gardens. This will be procured using a Request For Quotation (RFQ) via LBTH's Proactis procurement portal. The consultants will be managed by the BLTCM.

7.14 The capital items will be delivered through Judith St John, Divisional Director of CLC and Parks, and Stephen Murray, Head of CLC and Parks, at LBTH, using appropriate Frameworks, where possible; where this is not possible, works will be delivered using an RFQ.

7.15 Appropriate LBTH officers in CLC and Parks are regularly consulted on the progress of the project, and will be made aware of any effect on the management and maintenance of spaces and infrastructure resulting from the delivery of the capital works.

Shopfront Improvement Programme

- 7.16 Consultants will be required to prepare detailed design for a second phase of shopfront improvements, similar to the work undertaken as part of PID 1. The consultant will be procured using an RFQ via LBTH's Proactis procurement portal. The consultants will be managed by the BLTCM.
- 7.17 As part of the programme, businesses are required to contribute 50% in match funding towards the improvements. As part of Phase 1, a legal agreement has been drawn up by the LBTH legal team to ensure that an agreement of funding from businesses is required prior the commencement of works (with the agreement placed upon both leaseholder and freeholder). This agreement will continue to be used during Phase 2.
- 7.18 A number of the freeholds of the units proposed to be included within the programme are owned by LBTH. In instances where LBTH owns the freehold to a unit and it is subject to a short term lease, i.e. five years or so, it has been agreed with the LBTH Contracts Team that S106 contributions used on these properties would not constitute a grant payment. In all other instances, however, it has been agreed that the payments would constitute a grant, and would therefore need to be agreed by the GDSC prior to approval.

8.0 Infrastructure Planning Evidence Base Context

8.1 Given the wide-scope of the Brick Lane programme, and its encompassing of a wide range of disciplines within the Council, this PID links in with the Evidence Base across a number of areas: Transportation and Connectivity Infrastructure; Publically Accessible Open Space; Employment and Enterprise Infrastructure;, and Public Realm Infrastructure.

8.2 Transportation and Connectivity Infrastructure

8.3 The works identified within this PID are part of a number of projects in the Evidence Base, or are complementary to those projects, that cover the Borough as a whole:

Project Reference	Ward	Description	Estimated Cost	Eligible for CIL/S106	Planned Year of Delivery
Public Realm Gateway / Streetscene Enhancement Programme	Borough-wide	Provision of Public Realm Gateway, 13 yr programme / Upgrading street scene (transforming major street scene)	£15m	Yes	2030
Street Lighting Replacement Programme	Borough-wide	Borough-wide replacement of Street Lighting, 15 year programme	£9.6m	Yes	2030
Wayfinding Improvements	Borough-wide	Improvement of wayfinding features	On-going	Yes	On-going
Planned Highway Maintenance	Borough-wide	Carriageway maintenance to Borough's roads. 2.5m per year, 13	£2.5m pa	Yes	On-going

		year programme.			
Road safety improvements	Borough-wide	Accident remedial schemes at hotspots	£10m	Yes	On-going

8.4 The delivery of this infrastructure is outlined in a number of plans and policies, including the Council’s Core Strategy (CS) and Managing Development Document (MDD), the London Plan (LP), and the National Planning Policy Framework (NPPF).

8.5 National planning policy promotes that local authorities should work with transport providers to ensure that transportation and connectivity infrastructure is sufficiently provided to support sustainable development, and that a hierarchy of streets is provided to ensure a well-connected, joined-up street network, incorporating high-quality public realm, and a range of sizes of public spaces that can function as places for social gathering.

8.6 The Brick Lane project will address these requirements through:

- Introduction of traffic calming measures along Brick Lane to improve safety;
- Removal and/or replacement of cluttered street signage / bollards to improve the streetscape;
- A range of wayfinding improvements throughout the area; and
- Pedestrianisation of Brick Lane and Hanbury Street on Sundays to create better public space to support the significant market and commercial activity that takes place (led by Engineering).

8.7 It is anticipated that these changes will address the Council’s need in encouraging a modal shift in transport user terms, such as an increase in journeys by foot in the area (especially on Sundays), and allow the infrastructure to better serve the needs of the local population and visitors to the area.

8.8 Publicly Accessible Open Space

8.9 There are a number of individual projects within the wider Brick Lane programme that fit directly within the enhancement of existing open space in the Borough, which is referenced directly within the Evidence Base:

Project Reference	Ward	Description	Estimated Cost	Eligible for CIL/S106	Planned Year of Delivery
Green Projects – Borough Wide	Grid – Borough-wide	Various projects including: Greening the Street Tree Planting Provision of Community Gardens Enhancing Existing Open Space Provision of New Open Space	TBC	Yes	TBC

8.10 These projects include the activation of Allen Gardens as part of the wayfinding strategy, and the introduction of green elements to Brick Lane and the surrounding streets (e.g. planters) through individual projects identified within the wayfinding feasibility study, such as the Whitechapel Gallery pocket space, and the Thrawl Street Linear Park/Pocket Space.

8.11 Employment and Enterprise Infrastructure

8.12 The Evidence Base outlines a number of plans and policies directly relevant to Employment and Enterprise Infrastructure, including the Council’s Core Strategy (CS) and Managing Development Document (MDD), the London Plan (LP), and the National Planning Policy Framework (NPPF). At a local level, there is also the Tower Hamlets Employment Strategy (2011), the Enterprise Strategy (2012) and the 2015 Community Plan.

8.13 The Local Plan seeks to support development that promotes local enterprise and the employment and skills training of local residents.

8.14 The Council’s adopted Employment Strategy aims to:

“...outline how best to help Tower Hamlets residents’ capitalise on the dynamic employment growth occurring around them.”

8.15 The Council has identified three main objectives to help deliver the vision of the Enterprise Strategy:

1. To support the establishment, growth and development of Small and Medium Enterprises;
2. To provide an environment that supports a thriving and diverse economic base; and
3. To support the Borough’s enterprise economy by communicating local needs and wishes to influence a variety of audiences.

8.16 The Brick Lane project will seek to meet these objectives by supporting a variety of businesses currently established within Brick Lane, and is currently providing targeted support to a number of the curry houses in the southern half of the street. In addition, the second phase of the project will seek to address the high number of vacant units on the street, working with an external provider to link landlords and potential tenants and activate the spaces to support artists, sole traders and SMEs.

8.17 **Public Realm Infrastructure**

8.18 The Evidence Base outlines a number of plans and policies directly relevant to Public Realm Infrastructure, including the Council’s Core Strategy (CS) and Managing Development Document (MDD), the London Plan (LP), and the National Planning Policy Framework (NPPF).

8.19 Policy SP09 of the CS protects, promotes and ensures a well-connected, joined-up street network that integrates street types and users, and there is a support for a high-quality public realm network, providing a range of sizes of public spaces that can function as places for social gathering.

8.20 The Brick Lane area currently provides a range of public spaces, including Allen Gardens, Truman Brewery and market spaces on select days of the week. The current project will seek to improve the quality and visibility of these spaces through public realm improvements and wayfinding, and better delineate a hierarchy of streets through streetscape improvement works and road closures at certain times of the week.

9.0 Opportunity Cost of Delivering the Project

- 9.1 Phase 2 of the Brick Lane Regeneration Programme is directly responding to the findings of the Feasibility Studies commissioned during Phase 1, which recommended a range of measures that will boost economic and social conditions within the Brick Lane Town Centre.
- 9.2 The regeneration of Town Centres and High Streets within the borough is a direct manifesto commitment of the Mayor, and Brick Lane has been highlighted as a particular commitment.
- 9.3 A significant amount of the S106 obligations state that the funds must be expended in the area of the developments, which largely fall within the Spitalfields and Banglatown Ward within which Brick Lane falls. Whilst it would be possible for this funding to be spent on other areas within the Ward, further feasibility work would be required to be paid for through the contributions, thereby reducing the allocation for delivery of projects and lessening impact. In turn, the problems that currently exist in Brick Lane that have been highlighted by the Phase 1 Feasibility Studies would persist without investment.
- 9.4 Where S106 monies are not restricted to the Spitalfields and Banglatown Ward, funds are being sought to allow for the works to act as a pilot for future works to take place throughout the Borough, and ensure that the capital delivery budget is sufficient enough to drive enough change to allow Brick Lane to continue to act as a key driver for growth within the Borough, and maintain its status as an international tourist destination.

10.0 Deliverables

10.1 The following deliverables will be created by this Phase 2 project:

- 1.5 posts secured;
- Continuing existence of 1 local partnership (BLRP) past project completion;
- 6 Public realm projects delivered:
 - Surface works to junctions along Brick Lane;
 - Installation of RT 114/670 HD Marshalls heavy duty rising bollards for traffic management at various points along Brick Lane, including at the end of Osborne Street;
 - Installation anti-terror grade bollards to protect the increased activity on streets, particularly on market and pedestrianised days;
 - Detailed design work to identify redundant and/or inappropriate street furniture and removal/replacement with appropriate alternatives where required, with deference to the Conservation Area appraisal;
 - Replacement of current Brick Lane arch with newly designed alternative (or alternative to arch if deemed appropriate); and
 - Installation of architectural uplighting at key points.
- 9 Wayfinding projects delivered:
 - Re-naming Osborn Street as 'Lower Brick Lane' to assist with footfall from Whitechapel High Street;
 - Improvements to the Whitechapel Gallery Garden;
 - Commission and installation of artwork on Chicksand Street building façade;
 - Use side parapet at first floor of 5 – 27 Brick Lane for art installation / feature lighting;

- Activation of Allen Gardens through work to Pedley Street;
- Extension of the Legible London signage scheme;
- Replace and/or updating of the five existing cultural trail items;
- Producing painted crossings along key routes leading to Brick Lane; and
- Update existing heritage signage (including blue plaques) and adding further signs where appropriate.
- 5 Open Space projects delivered in Allen Gardens:
 - Creation of a meadow area at the north-west corner;
 - Improving the pathway through the centre of the park which currently acts as a main desire line, including lighting and landscaping;
 - Rationalisation of the current children's play equipment to separate it from areas for dog exercise
 - Re- invigorating the current copse area; and
 - Establishing conditions so that large scale events can take place within Allen Gardens.
- 10 shopfront and façade improvement schemes to improve the built fabric in line with the Conservation Area appraisal delivered;
- At least 3 new enterprises supported through vacant units; and
- Project evaluation developed, agreed and completed by Project Closure.

11.0 Local Employment and Enterprise Opportunity

- 11.1 The project will deliver works and activities which will tackle the problems identified in Phase 1, and contribute to the regeneration of Brick Lane, which will in turn improve the offer of businesses and bring vacant units back into use. Business support will be offered to businesses and artists as part of the vacant unit scheme, with the aim of increasing employment within the Town Centre and drawing footfall to the area, improving profit margins for all businesses.
- 11.2 Opportunities will be sought to involve local businesses, residents and schoolchildren in the curation of art and design projects as part of the delivery of the public realm and wayfinding delivery, which will provide valuable skills and experience.
- 11.3 Procurement opportunities will be procured using the Council's usual procedures, which will prioritise local suppliers.

12.0 Financial Programming and Timetable

12.1 Project Budget

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital / Revenue)
Town Centre Manager (PO4)	11,689	S106	Revenue
Public Realm Improvements to Brick Lane	678,090	S106	Capital
Open Space Improvements to Allen Gardens	74,962	S106	Capital
Wayfinding Delivery including improvements to Pedley Street	78,554	S106	Capital
Legible London Signage	89,000	S106 Part funding from City of London	Capital
Shopfront Improvements (Design)	50,000	S106	Capital
Shopfront Improvements (Delivery)	270,000	S106 Contributions from Businesses	Capital
Bringing vacant units back into new initiatives	43,109	S106	Capital
Consultation and Partnership Development	5,000	S106	Revenue
Total excluding VAT	1,300,403 (Total) 1,143,404 (S106 PID 2) 135,000 (Contributions from Businesses) 22,000 (Contributions from City of London)		

12.2 Project Management

The project will be managed internally by Council staff, with the Council retaining project management fees. The project will be led by a full-time PO4 post, and will be supported by a PO2 post. The PO2 post was originally intended to be part-time; however, due to the amount of projects to be delivered in Phase 2, along with extra projects being undertaken by the team including Petticoat Lane and Middlesex Street (as referenced at Paragraph 2.29), this role has been changed to a full-time post.

12.3 Financial Profiling

Financial Profiling							
Descriptions	Year 1		Year 2				Total
		Q4	Q1	Q2	Q3	Q4	
Town Centre Manager (PO4)						11,689	11,689
Public Realm Improvements to Brick Lane		12,879	38,308	227,270	371,910	27,723	678,090
Open Space Improvements to Allen Gardens					74,962		74,962
Wayfinding Delivery including improvements to Pedley Street			23,566	23,556	23,556	7,855	78,554
Legible London Signage			66,750	22,250			89,000
Shopfront Improvements (Design)		16,667	33,333				50,000
Shopfront Improvements (Delivery)			108,000	162,000			270,000
Bringing vacant		6,632	9,948	9,948	9,948	6,632	43,109

units back into new initiatives							
Consultation and Partnership Development		769	1,154	1,154	1,154	769	5,000
Total		36,947	281,060	446,188	481,540	54,668	1,300,403

12.4 Outputs / Milestones and Spend Profile

Table 3			
Project Outputs / Milestones and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Staffing		
	Staff (PO4 & PO2) Delivering Project	£11,689	To 30 th April 2018
2	Public Realm & Wayfinding Delivery (including improvements to Pedley Street)		
	Preparation of Brief	£756,644	End December 2017
	RFQ Period		Mid-January 2018
	Appointment of Consultants		End January 2018
	Detailed Design to Completion (RIBA 4 – 7)		January 2019
	RFQ for Contractors		End May 2018
	Works		End December 2018
Practical Completion	January 2019		
3	Open Space Improvements to Allen Gardens		
	Discussion with Internal Representatives	£74,962	January 2018
	Preparation of Brief		March 2018
	RFQ Period		April 2018
	Appointment of Consultants		May 2018
	Preparation of design, including consultation		June 2018
	Installation / landscaping works		October 2018
Practical Completion	January 2019		
4	Legible London		
	Discussion with Internal Representatives	£89,000	End February 2018
	Design		End March 2018
Installation	End July 2018		
5	Shopfront Improvements		

	Preparation of Briefs		Mid-January 2018
	RFQ Period		Mid-February 2018
	Appointment of Consultants		End February 2018
	Outline Design (RIBA 1 – 3)	£320,000	End May 2018
	Detailed Design to Completion (RIBA 4 – 7)		End September 2018
	RFQ for Contractors		Mid-May 2018
	Works		End September 2018
	Practical Completion		October 2018
	Vacant Unit Programme		
6	On-going Engagement with Landlords & Tenants	£43,109	End-February 2019
	Consultation and Partnership Development		
7	Consultation	£5,000	End-February 2019
Total		£1,300,404	

13.0 Project Team

13.1 Information regarding the project team is set out below:

- Project Sponsor: Andy Scott
- Project Manager: Rachel Jenman
- Project Team Members: Rachel Jenman, Alex Hatt, Fiona Crehan, Andy Scott, Roy Wayre. David Tolley, Margaret Cooper, Ann Corbett, Roy Ormsby, Chris Golds

14.0 Project Reporting Arrangements

Group	Attendees	Reports / Logs	Frequency
BLOWG	Cllr Joshua Peck, Fiona Crehan, Rachel Jenman, Alex Hatt, Roy Wayre, Margaret Cooper, Roy Ormsby, David Tolley, Ann Corbitt, Andy Scott, Chris Golds	Reports	Monthly
BLRP	LBTH, BRLA, Truman Brewery, Spitalfields Forum, Aldgate Forum, Community Groups, Market Reps	Reports	As required

15.0 Quality Statement

- 15.1 Quality standards will be defined in accordance with London Borough of Tower Hamlets standards. All delivery will be procured and managed to the quality standards of the Council.

16.0 Key Risks

16.1 The key risks to this project are provided in Table 6 below:

Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	Lack of engagement from local residents and businesses	Number of businesses willing to match funding	Insufficient funding to support the programme		2	3	6
2	Staff changes	Staff leave	Requirement to re-recruit. Loss of project knowledge		1	3	3
3	Capital cost exceeds project budget	Suppliers unable to quote based on RFQ	Further funding required	Contingency factored into budget	2	2	4
4	Existing services under street cause issues with resurfacing	Surveys prior to work reveal services close to surface	Delay in delivery of works, leading to increased cost	Contingency factored into budget	2	2	4
5	Negative public reaction to interventions	Negative press / social media	Questions as to use of public funding	Early engagement with residents.	1	1	1

17.0 Key Project Stakeholders

17.1 The principal stakeholders are shown in Table 5 below and will be engaged from the earliest stages of the project and through to project closure. They key stakeholders will be engaged as required, after delivery is completed.

Table 5			
Key Stakeholder	Role	Communication Method	Frequency
Mayor and Lead Member for Economic Development	Strategic Direction	Update Reports	As required.
		Attendance at Officer Working Group	Monthly
Local Ward Councillors	Local strategic direction	Update reports	As required
		Attendance at consultation meetings	Quarterly
Local businesses / Business forums	Consultation and local perceptions	Attendance at consultation meetings	Quarterly
		Digital updates	As required
Local residents / Resident Groups	Consultation and local perceptions	Attendance at consultation meetings	Quarterly
		Digital updates	As required

18.0 Stakeholder Communications

18.1 Key stakeholders will be communicated with via email, promotional material, in person, and at meetings. A communication strategy for the delivery stage will be developed working with the Communications team at the Council. All promotional material will reference the support of S106 funding for the project.

19.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director for Economic Development, Place Directorate	Andy Scott		

20.0 Project Closure

Project Closure Document

Project Closure Document			
1.	Project Name:		
2a.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	Please Tick ✓	
		Yes	No
2b.	<ul style="list-style-type: none"> Key Outputs <i>[as specified in the PID]</i> Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i> Employment & Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i> 		
3a.	Timescales I confirm that the project has been delivered within agreed time constraints.	Please Tick ✓	
		Yes	No
3b.	<ul style="list-style-type: none"> Milestones in PID <i>[as specified in the PID]</i> Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i> Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback) 		
4a.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Please Tick ✓	
		Yes	No
4b.	<ul style="list-style-type: none"> Project Code Project Budget <i>[as specified in the PID]</i> Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i> Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i> 		
5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> Staff employment terminated 	Please Tick ✓	
		Yes	No
		Yes	No

	<ul style="list-style-type: none"> Contracts /invoices have been terminated/processed 	Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
	These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>				
8.	Lessons learnt				
	<ul style="list-style-type: none"> Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 				
	<ul style="list-style-type: none"> Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> 				
	<ul style="list-style-type: none"> Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 				
	<ul style="list-style-type: none"> Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> 				
	<ul style="list-style-type: none"> Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 				
9.	<ul style="list-style-type: none"> Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 				
	Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i>				
10.	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.				
	Sponsor (Name)		Date		
	Project Manager (Name)		Date		



EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	Brick Lane Regeneration – Phase 2
Directorate / Service	Place
Lead Officer	Rachel Jenman
Signed Off By (inc date)	
Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div data-bbox="1093 810 1173 890" style="display: inline-block; width: 20px; height: 20px; background-color: green; margin-right: 10px;"></div> Proceed with implementation As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.

Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	Yes	
b	Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?	Yes	
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Yes	
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	Yes	
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	
3	Assessing Impact and Analysis		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	Yes	
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Yes	
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	Yes	
b	Have alternative options been explored	Yes	



5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	Yes	
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	



PROJECT INITIATION DOCUMENT

(March 2016)

Middlesex Street Public Art Project

Project Initiation Document (PID)

Project Name:	Middlesex Street Public Art Project		
Project Start Date:	Jan 2016	Project End Date:	March 2017
Relevant Heads of Terms:			
Responsible Directorate:	CLC		
Project Manager:	Steve Murray		
Tel:	X 7910	Mobile:	07985216304
Ward:	Spitalfields and Banglatown, Whitechapel		
Delivery Organisation:	TBD by competitive tender		
Funds to be pass ported to an External Organisation	Yes, via procurement		
Supplier:	Contractors various		
Amount of S106 available for this Project:	£239,325.65 – approved at PCOP 30.07.2015 £65,000.00		
S106 Planning Agreement Number(s):	PA/06/00432 PA/07/01201		
Date of Approval:	PA/06/00432 – 30.07.2015 PA/07/01201 – 31.03.2016		

Distribution List

Organisation	Name	Title
LBTH D&R	Aman Dalvi	Corporate Director
LBTH D&R	Owen Whalley	Service Head – Planning and Building Control
LBTH D&R	Dave Clark	Interim Head of Resources
LBTH D&R	Anna McGill	S106 Planning Obligations Officer
LBTH Legal	Gillian Dawson	Principal Planning Lawyer
LBTH D&R	Helen Green	D&R S106 Project Manager
LBTH Legal	Marcus Woody	Planning Lawyer
LBTH D&R	Andy Simpson	S106 Programme Manager
LBTH D&R	Andy Scott	Acting Service Head – Economic Development
LBTH CLC	Thorsten Dreyer	Strategy Business and Development Manager
LBTH CLC	Tope Alegbeleye	Strategy , Policy and Performance Officer

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

- 1.1 In September 2011 a PID was approved at PCOP to allocate a contribution of £250,000 towards Public Art in the vicinity of the development from which it was secured. Feasibility work was carried out in 2012 and a spend of £10,670.65 was utilised.
- 1.2 Following the study the funds were earmarked to support another public art project in the nearby vicinity, Brick Lane Cultural Trail, but this project was delayed and the monies were not utilised. It is now unlikely this project will be taken forward and therefore it is now proposed to progress an alternative public art project.
- 1.2 It is proposed to create a series of individual art works that will act as sign posts to places of interest and form a cultural trail for visitors and residents. The designated areas will be within scope of the Aldgate Public Art Cultural Trail. It would include an 'artistic' map to be situated in the immediate vicinity of the Middlesex Street development indicating specific places of interest. This will enhance the environment and inform residents and students in that area of what's on their doorstep.
- 1.3 Initial scoping work will draw up a list buildings and sites of interest within the area that merit signage along with a list of existing public art in the area that this project would take into account.
- 1.4 Once locations are agreed and the necessary permissions obtained then a tender process or competition for designs will be held. Entries to be judged by a panel including council staff, local arts exponents/experts (i.e. Whitechapel Gallery) to appoint someone to design commission and install agreed pieces.
- 1.5 The complexities around permissions, structural and engineering aspects along with potential multiple planning processes inform the length of this project.

2.0 Section 106 Context

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations / S106 agreements are legal agreements negotiated, between an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 The Directorate of Development and Renewal in Tower Hamlets Council has put

in place a corporate structure, leading to a transparent process for assessment, negotiation, agreement, and expenditure and monitoring of section 106 resources.

- 2.3 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the Deed dated 5 December 2006 creating planning obligations for the development at the Former Site of Rodwell House, 100-106 Middlesex Street (PA/06/00432) ('the 2006 Agreement') and the Deed dated 14 March 2008 61 – 75 Alie Street (PA/07/01201) ('the 2008 Agreement').
- 2.4 The 2006 Agreement included a Public Art contribution of £250,000 to be paid by the owner of the site to Tower Hamlets Council ('the Council') before first occupation of the student accommodation comprised within the development. This payment was received by the Council on the 20th August 2010.
- 2.5 For reference, Schedule 1, Clause 1.6 of the 2006 Agreement for states the contribution is for:
- "..the provision of public art/cultural facilities in the vicinity of the site involving the preparation and implementation of a public art strategy including involvement of local artists and including the provision of public arts/sculpture at the public arts sites."*
- The "public art sites" are defined in the agreement as 'two public art sites as shown in principle on plan no. 2. Annexed to this deed and located on *Frying Pan Alley*.'
- 2.6 The Council is required to use the contribution for the specified purposes (or for such other works as agreed in writing between the owner and the Council) within 5 years of receipt.
- 2.7 Furthermore, clause 5.4 of the 2006 Agreement requires the Council to consult with the owner of the site and take account of their representations before using the contribution.
- 2.8 In the interests of ensuring that maximum benefits for the community can be realized, the Council has requested DP9's (the Planning Consultants involved in original discussions to agree the siting of the art work) approval to spend the contribution on a public art scheme located outside of the boundary of site. Attempts have also been made to contact the developer, Middlesex SARL directly at their address in Luxembourg and also, in accordance with clause 8.2.2 of the Agreement request for approval sent to the Blackstone Group International Ltd. See Appendix 1 for correspondence. Having, after several attempts, failed to get a response to the proposal we now seek to go ahead with a project covering a wider area but still including the original suggested location next to the development.

- 2.9 The contribution expires five years from the date of receipt; 20th August 2015. It is proposed to use the full amount of the balance now available, £239,000 for this project.
- 2.10 In addition a sum of £65,000 from the 2008 Agreement will be utilised for this project. The agreement obliged the Developer to pay the Council £100,000 for contribution towards the Aldgate Public Art Culture Trail as identified in the Draft Aldgate Masterplan (see fig 1 below). The contribution is time limited for a period of 10 years from receipt of the contribution. The Council received the first payment on 12/12/2011 and the last payment on 13/11/2013, therefore the expiry for this contribution is 14/12/2021. It is proposed to use £65,000 from this contribution for the project.

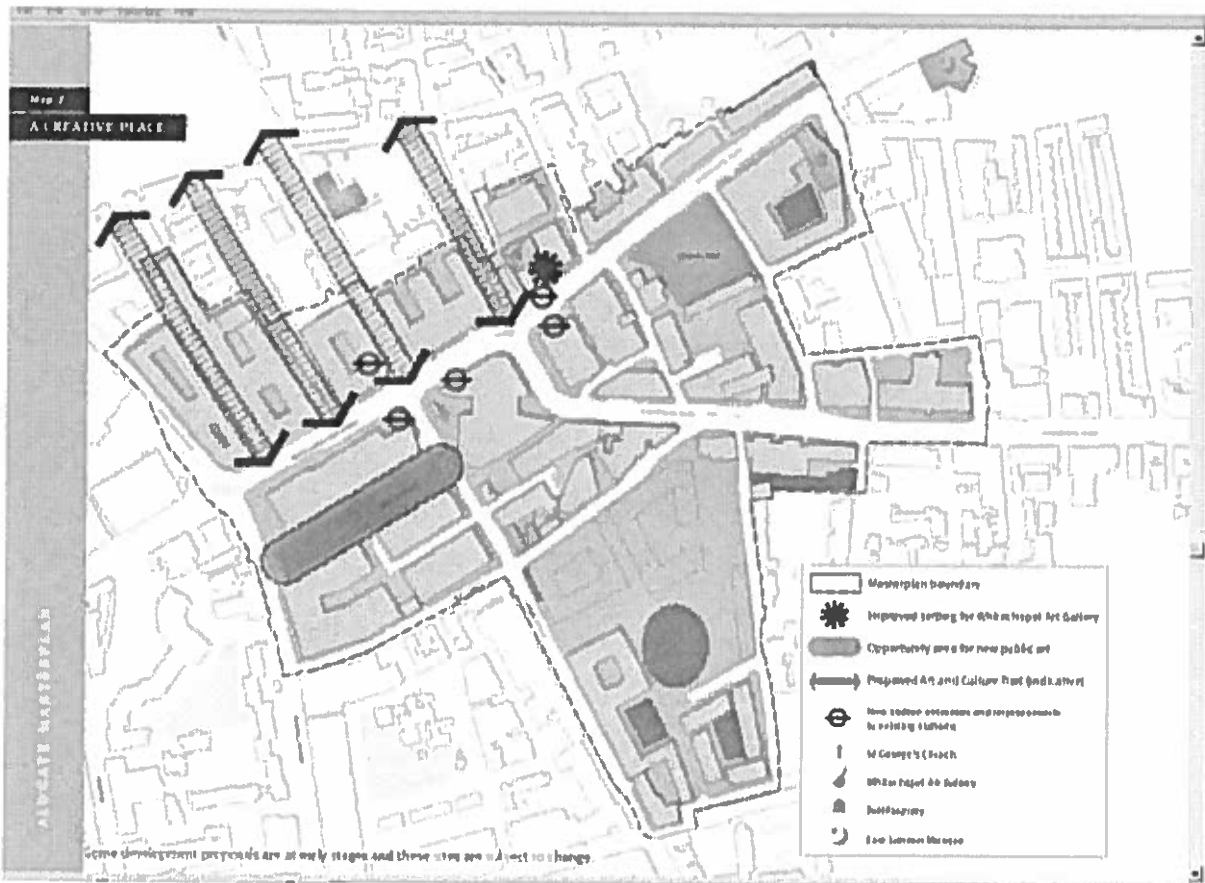


Fig 1 Indicative Aldgate Art and Cultural Trail

3.0 Legal Comments

- 3.1 In light of the Council having carried out reasonable consultation of the owner in accordance with clause 5.4 of the 2006 Agreement, Legal Services are satisfied that the PID complies with the terms of the Agreement. It reflects the parties' intentions at that time that the contribution would be used towards the provision of public art in the vicinity of the relevant development site through the implementation of a strategy involving local artists and will include, albeit is not limited to, public art in the original suggested location in the Agreement at Frying Pan alley.
- 3.2 We are also content that the application of the £65,000 from the 2008 Agreement for this project is in accordance with the purpose specified for it as a contribution towards the Aldgate Public Art Cultural Trail.
- 3.3 These comments are limited to addressing compliance with the terms of the s106 agreement (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

4.0 Overview of the Project

- 4.1 The first phase of the project will be to undertake research and consultation that will inform a strategic document on how the proposed scheme will be taken forward. Key elements of this phase will be;
- Proposed location of art pieces to be commissioned.
 - Key stakeholders/parties to be involved.
 - Community engagement plan.
 - Draft tender document for a public art commission.
- 4.2 The second phase is the commissioning of high quality public art pieces that act as signage to key locations in this area of the Borough. Pieces will be;
- Sympathetic to the location.
 - Connect to the history of the area.
 - Of robust construction.
- 4.3 We recognise that the process of working in local communities can be as important as the end product and that this can take the form of consultation and local representation on the selection panel. Consequently, there will be a significant community engagement strand to the project allowing a sense of

ownership to emerge regarding not just the finished tangible artwork, but project planning process itself.

4.4 Selection process;

- 5 to 8 public arts practitioners asked to submit proposals against a brief decided by panel. These sourced via research of established public art practitioners with preference for locally based artists.
- Locations to be agreed by panel based on results of feasibility study.
- Panel including Head of Arts Parks and Events, representative from developers/owners, community representative, plus possibly someone from Tower Hamlets arts sector (e.g. Whitechapel Gallery).

4.5 Production Process;

- Would be managed by the project manager.
- Would provide an opportunity for local artists to shadow chosen artist in order to build their own skills in the realm of Public Art.

4.6 Other considerations would include the creation of a maintenance budget for the piece, which would be informed by the nature of the piece commissioned. This would be whatever was remaining unspent from contingency budget.

5.0 Business Case

5.1 Monies are specifically secured for the purposes of creating public art within the Middlesex street area. The piece would enhance the local environment, help to capacity build the local arts sector and support the visitor economy and institutions being signposted. The project supports the Community plan objectives of:

- A Great Place to Live – improvement of the local environment and public realm. Through creation of high quality art pieces
- A prosperous community – foster enterprise and entrepreneurship. Through support and training of local artists.

5.2 The project will benefit the community by;

- The creation of learning opportunities in all art forms (access to training, skills development and skills sharing).
- Artists and craft-makers working in local communities.
- Enrichment and enhancement of the environment.
- Civic pride – impact on tourism sector.
- Giving a distinctive character to developments and areas (unique identity for areas of renewal and regeneration).
- Enabling community members to participate in a consultation process regarding proposed developments and contribute to the decision making throughout.

- Developing critical approaches to the development of the urban and built environment.
- Celebrating cultural diversity and contributing to community cohesion.
- Contributing to an increased sense of community safety.

5.3 The project will benefit Artists and Craft-Makers by;

- Enabling artists to input at the design stage and throughout the process of creating new developments.
- Creating work for established and developing artists living or working in an area.
- Providing training opportunities for visual artists with limited or no experience of public art commissions such as this one.

5.4 In commissioning this project, the council will ensure that its objectives tie in with strategic aims across the authority, in particular those laid out within the Community Plan as outlined later in this document. Further objectives specific to this project are as follow:

- Quality – to achieve high quality in concept, execution and ongoing maintenance of all public art commissioning projects; create the opportunities for artists to work with other design disciplines to achieve the best results; encourage adventurous commissioning; attract the best artists locally, nationally and internationally.
- Recognition and Distinction – to achieve recognition as a leading local authority in public art commissioning.
- Partnerships – to encourage partnerships with regional and national arts providers and funders, environmental and transport bodies and developers.
- The Green Agenda – to consider the environmental impact of each commission and where possible, offset any negative impact through choice of process and materials.

6.0 Approach

6.1 We will seek to adhere to good practice in all aspects of delivering this project and will follow a commissioning model which abides by council procedures and priorities at all times.

6.2 We will ensure that all the new art pieces created are robust in construction and meet all appropriate Health and Safety requirements.

6.2 In addition to obtaining permissions from owners of any property where the pieces will be positioned we will liaise with all the relevant authorities and agencies such as TFL, Highways, Street works,

7.0 Deliverables

- 7.1 The key deliverable is a public art scheme that will enhance the environment and provide directional signage to places of interest in this area through improved signage. The precise design and structure of these pieces, probably around 15 to 20 signs and 4 information boards in number, will be decided via an invited competitive process.
- 7.2 The completed scheme will provide work for local artists and opportunities for training for other local artists through shadowing the project delivery

8.0 Local Employment and Enterprise Opportunity

- 8.1 We will ensure that local artists/organisations are invited to tender for the work on this project. At this stage it is intended to involve volunteers and engage apprentices within the delivery of the project.

9.0 Programme Timeline

9.1 Project Budget

Table 1			
Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
Feasibility study	£20,000	S106	Capital
Professional and planning fees	£15,000	S106	Capital
Design, production and fixing pieces	£209,250	S106	Capital
Project Management costs	£25,000	S106	Capital
Retention maintenance fund	£10,000	S106	Capital
Contingency	£25,075.65	S106	Capital
Total excluding VAT	£304,325.65		

Any unspent contingency will be returned to the S106 portfolio.

9.2 Financial Profiling

Table 2									
Financial Profiling									
Description	16/17				17/18				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
All works and associated costs	£10,000	£10,000	£50,000	£135,000	£99,325.65				£304,325.65
Total	£10,000	£10,000	£50,000	£135,000	£99,325.65				£304,325.65

9.3 Outputs/Milestone and Spend Profile

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
	Development and research	£20,000	April to June 2016
	Consultation, community engagement and commissioning	£50,000	July to September
	Fabrication and location of art pieces plus fees and charges	£205,325.65	October December
	Project launch and maintenance fund	£29,000	Jan to June 2017
Total		£304,325.65	

*Any unspent contingency will contribute to the maintenance budget

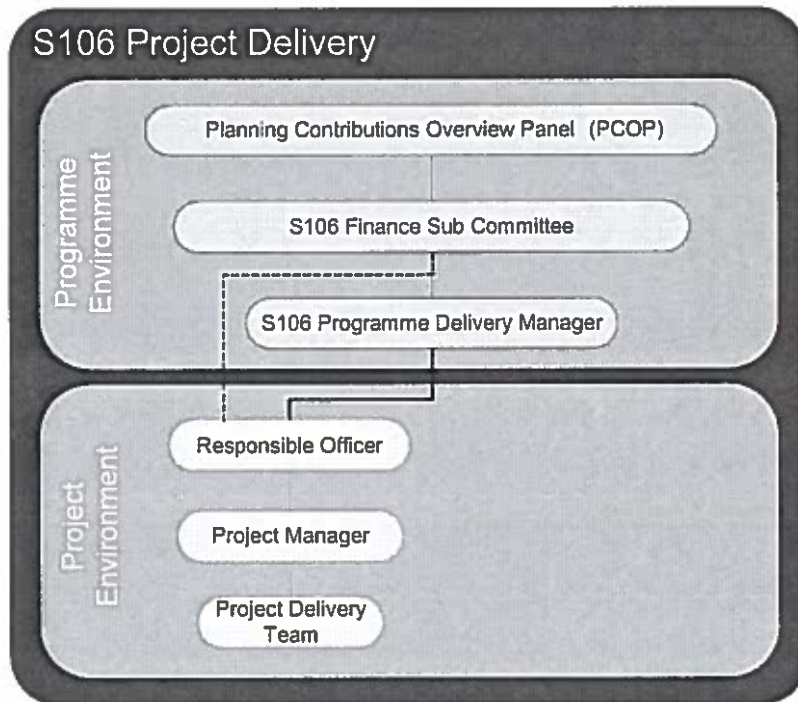
9.4 Realisation

Table 4	
Benefit	Measure
Creation of new public art in west of the borough which enhances environment and signposts key places of interest and support visitor economy,	Commissioning several new public art pieces to be placed in location around Spitalfields and Bangla Town, Whitechapel and Bethnal Green.

10 Governance and Organisational Structure

The governance structure that provides for the delivery of programme/project funded in whole or in part by S106 resources is set out in diagram 1 below.

Diagram 1



Project Manager to complete the following - The governance arrangements for this project is set out below:

- Project Sponsor – Shazia Hussain
- Project Manager – Stephen Murray/ Isma Arif
- Project team members – TBC

11 Project Reporting Arrangements

Group	Attendees	Reports/Log	Frequency
Arts Parks and Events	APE staff and reps from 3 rd sector stakeholders	Minuted meetings with action points	Commissioning stage x 3 Design stage x 2 Implementation stage x 4 Site visits x 3

12. Quality Statement

- 12.1 Designs of art pieces will be selected on the basis of high quality and robust construction and specialist input will help inform this. Installation will be

undertaken by specialists to ensure all Health and safety requirements are met.

13. Key Project Stakeholders

Table 8			
Key Stakeholders	Role	Communication Method	Frequency
Steve Murray	Project sponsor	Verbal and written reports	As and when required
Selection Panel	Choosing artist/s	Tender process	As and when required
Capital projects board CLC	Monitor progress of project	Update reports and meetings	Bi monthly
Local organisations, businesses, residents	To be consulted and help inform research element	Meetings both group and individual	As and when required, minimum of two open meetings

14. Stakeholder Communications



14.1 Key stakeholders from community and 3rd sector will be kept informed via email updates and open meetings X 2. Internal stakeholders

15. Key Risks

15.1 The key risks to this project are provided in the Table 9 below.

Table 9							
Risk No.	Risk	Triggers	Consequences	Existing Internal Controls – to be confirmed	Likelihood	Impact	Total
1	Project overspend	Unexpected works required or prices going up	Delayed finish or compromised design	Tight project management, scope to modify works to agreed priorities. Healthy Contingency	2	2	4
2	Project over run	Unexpected problems including procurement of materials and fittings	Reputational damage limited as project would not be publicised until complete or near completion	Project management ensuring sourcing ahead of time required and alternative suppliers in place if necessary	2	2	4
3	Work not produced to spec	Projected overspend require compromise solutions	Reputational damage through sub standard product in public realm	Sign off required for designs and production of art pieces against clear specification	2	2	4
4	Elements of the project fail to get planning permission	Refusal of permission to install in desired location	Could delay project	Ensure timelines allow for such an eventuality and rethink locations if necessary	2	1	2

16. Project Approvals

<p>The PID has been reviewed and accepted by delegated PCOP Chair, Owen Whalley and Service Head, Shazia Hussain, Culture, Learning & Leisure. The risks identified are understood and acknowledged.</p>			
Role	Name	Signature	Date
Delegated PCOP Chair	Owen Whalley		05/04/16
Service Head, Culture, Learning & Leisure	Shazia Hussain		3/3/2016



PROJECT INITIATION DOCUMENT

October 2017

Toynbee Hall Refurbishment Project

Version Control

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Suzanne Jones	Initial draft	27/09/2017
0.2	Suzanne Jones	Revised after feedback from Andy Simpson and IDSG	20/10/2017
0.3		Submitted to IDSG	
0.4	Suzanne Jones	Revision post circulation to IDSG	15/11/2017

Project Initiation Document (PID)

Project Name:	Toynbee Hall Refurbishment		
Project Start Date:	2017	Project End Date:	TBC
Relevant Heads of Terms:	Community Building Improvement		
Responsible Directorate:	Resources		
Project Manager:	Rosie Spiegelhalter, Trusts and Grants Manager, Toynbee Hall		
Tel:	02072476943	Mobile:	07507753578
Ward:	Whitechapel		
Delivery Organisation:	Toynbee Hall		
Funds to be passported to an External Organisation? ('Yes', 'No')	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	Yes		
Supplier of Services:			
Is the relevant Lead Member aware that this project is seeking approval for funding?	The Mayor has been involved		
Is the relevant Corporate Director aware that this project is seeking approval for funding?	Yes		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please			

append the draft RCDA form for signing to this PID)	
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<u>S106</u>	
Amount of S106 required for this project:	£305,000
S106 Planning Agreement Number(s):	PA/14/02817
<u>CIL</u>	
Amount of CIL required for this project:	n/a
Total CIL/S106 funding sought through this project	n/a
Date of Approval:	n/a

This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director of Place (<i>Interim Chair</i>)
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Marcus Woody	Planning Lawyer

Organisation	Name	Title
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Adele Maher	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

- 1.1 This document defines the need for the proposed financial assistance to the Toynbee Hall Refurbishment Project.
- 1.2 Toynbee Hall (TH) sets out its vision as follows:

*We work on the frontline in the struggle against poverty. Based in the East End of London we give some of the UK's most deprived communities a voice, **providing access to free advice and support and working together to tackle social injustice.***

Our youth and older people's projects, advice services and financial inclusion work are all geared towards supporting those who live in some of the most deprived conditions in the UK. We work with our community not only to support them in times of crises but to move them beyond crises by providing them with the skills and support they need to create a more sustainable future.

When Toynbee Hall first opened its doors in 1884, the need for help and support was greater here than almost anywhere else in the UK. 130 years later and the community in which we work remains one of the poorest in the UK. With 44% of people in Tower Hamlets still living in poverty, our work is as vital today as it was then.

Throughout our 130 years our story is one of pioneering new solutions for poverty, working within our community and giving people the skills and knowledge they need to help themselves while working to influence opinion and to change the systems and policies that affect people today.

Our services are free of charge, and every year our residential and non-residential volunteers give us over 4,000 hours of their time to deliver services and engage with communities across Tower Hamlets and beyond.

- 1.3 Over the next two years Toynbee Hall will be undertaking a significant regeneration of its East End site. The organisation has been on the same site since it was founded in 1884 and much has changed in that time but the buildings and sense of place have continued to be a valuable resource for the organisation and for the community. The plans that they have for their site is to conserve the historic halls, transform Mallon Gardens into an accessible public space and build a new building in place of Profumo House. The new building will consist of a Centre for Advice, a Centre for Wellbeing and four floors of commercial office space to bring in a sustainable source of unrestricted funding that will support the activities of the charity
- 1.4 As an organisation Toynbee Hall has been core the community of over 130 years working to provide free advice and support and working to tackle social injustice. They have seen an increase in demand for their services. They indicate that over

2016 they supported over 3,000 residents of Tower Hamlets through their debt and legal advice service, assisting them to handle crisis situation. The Centre for Wellbeing that is part of the estate supporting 750 local older people to live healthily and independently which reduces the need for medical and other services. The project brief is appended to this document.

- 1.5 The total cost of the redevelopment project is £16.7m. They have secured funding from a variety of sources that amounts to £16.4m however they are £305,000 short of the total required. They approached the Council via the Mayor to see if S106 funding could be made available.
- 1.6 In return for the grant from the Council and in addition to the benefit that the community already derives from Toynbee Hall, the charity is willing to agree that they will provide access to facilities for a period of time for other activities that the Council may need facilities. This will need to be agreed. For example, some of the activities that take place in Idea Stores could also take place at the Toynbee Hall. Toynbee Hall has stated that it is very keen to support local start-up companies and would be open to making our venue hire space available at a subsidised rate. This could take the form of a proportion of our venue hire time committed to be made available, or a regular offering for a facilitated networking event or similar. This can be finalised whilst internal approvals are being put in place. Any agreement will need to be proportionate to the size of the contribution that we are making to the overall project.
- 1.7 Toynbee Hall worked to secure a significant amount of funding from a variety of sources reflecting that it has a wide reach and community presence. A shortfall of £305,000 was identified (1.8% of the total cost) and they approached the Council as a key stakeholder and partner to see if there could be some funding. Internal discussions indicated that given that the organisation is aiming to conserve a historic building which is used as a community facility, an allocation may be possible from the Community Facilities element of s106 funding. Furthermore the Council currently invests £664,000 per annum in services provided by Toynbee Hall - £600,000 to deliver Link Age Plus and £64,000 in mainstream grants projects. Investment in the redevelopment of Toynbee Hall will help ensure the continued delivery of these services in the future and, with improved facilities, should enhance the quality of service provided. It will also give the charity a sustainable income stream, making the organisation more resilient and less reliant on support from public bodies. If the redevelopment does not proceed, there is a risk that if Toynbee Hall is no longer able to provide a range of other community based services, there could be an increase in demand for public services as local residents seek alternative provision. All of this demonstrates the alignment with a

number of corporate and mayoral priorities which include tackling poverty and reducing the demand for services which appropriate by interventions that support individuals and community wellbeing.

1.8 This Project Initiation Document (PID) will define the *Toynbee Hall* project and bring together the key components needed to start the project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:

- Justify the expenditure of *S106 contributions* on the named project which will provide the IDSG with a sound basis for their decision;
- Provide a baseline document against which the Project Team, Project Manager (and in some cases) the Project Board can assess progress and review changes.

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.3 The Section 106 (S106) of the Town and Country Planning Act 1990 allows a LPA to enter into a legally-binding agreement or planning obligation with a developer

over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated, between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

2.4 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the development set out below.

Planning Application	Site Address	Expiry Date	Expiry Date Note	Funding Requirements	Amount Received	To allocate
PA/14/02817	Goodman's Fields	29/04/2021	utilise or commit within 5 years of payment	community facilities contribution	£1,241,772	£300,000
PA/12/02856	1-94 cottle street and stainsby road	TBC	10 years from date of practical completion	idea stores, libraries or other similar institutions in the borough	£8,327.36	£5,000

3.0 Equalities Analysis

- 3.1 An Equalities checklist has been completed which recommends to proceed with implementation. The project aims to contribute £305k in s106 for the redevelopment of Toynbee Hall's estate, approximately, 1.8% of the total project cost of £16,754,300
- 3.2 The proposals will deliver a community facility that is open to all but that focusses on people needs, to this extent the potential beneficiaries of the project reflect the composition of the Borough, and there should not be any group for which there is a disproportionate negative impact upon.
- 3.3 Analysis of the services current user group identifies that key beneficiaries include those with disabilities/long standing illness and the elderly which are aligned to need within the Borough and the projects which are being delivered.

4.0 Legal Comments

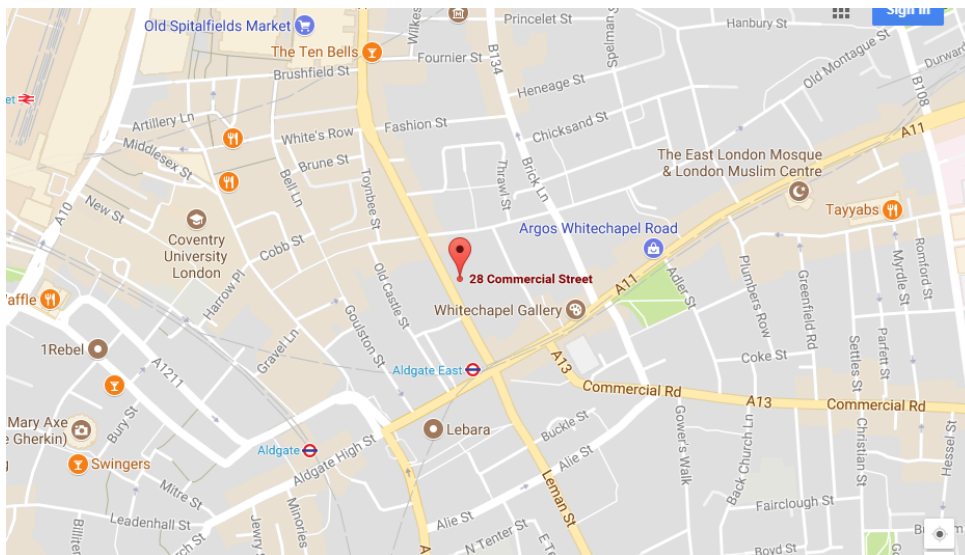
- 4.1 Legal Services considers the use of contributions to support the Toynbee Hall Refurbishment Project to satisfy the terms of the S106 agreements set out in the table at paragraph 2.4 above.
- 4.2 PA/14/02817 requires the contribution to be spent towards the provision of community facilities in the borough. The vision of Toynbee Hall Charity at paragraph 1.2 and the overview of the project at section five of this PID are helpful in explaining that the charity's purpose is to serve the local community and this contribution will be used towards regenerating the existing site and allowing the charity to extend the services it offers. PA/12/02856 requires the contribution to be used towards *"Idea Stores, libraries or other similar institutions in the Borough"*. Idea Stores are described on their website as being *"more than just a library or a place of learning. As well as the traditional library service, they offer a wide range of adult education classes, along with career support, training, meeting areas, cafes and arts and leisure pursuits."* This PID explains that Toynbee Hall is being refurbished to provide a centre for advice and a centre for wellbeing which will be open to members of the community and will provide services similarly aligned to those which can be found in Idea Stores and certain libraries. Legal Services is therefore satisfied that this project is aligned with the terms of the s106 agreements.
- 4.3 It is noted that the contributions to be drawn from these agreements are to be paid directly to an external organisation (Toynbee Hall Charity). The terms of these agreements do not specify that the contributions can be paid to Toynbee Hall Charity; therefore such payments are considered to constitute grants. The Council is under no legal obligation or duty to provide this payment and so as it is discretionary, it is considered to be a grant. As such, approval must first be sought from the Grants Determination (Cabinet) Sub-Committee before any payment is made.
- 4.4 Subject to the above comments, we consider the funding for this PID to be in accordance with the purposes for which the contributions were secured under the S106 agreements.
- 4.5 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty

and this is met by the attached equality analysis.

- 4.6 These comments are limited to addressing compliance with the terms of the S106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

5.0 Overview of the Project

- 5.1 The business case is included at Appendix 1 of this document. The summary of the project is the redevelopment of Toynbee Hall’s estate and a site map is included as Appendix 2. The redevelopment of Toynbee Hall’s estate was an essential investment; the buildings are in a state of disrepair and no longer fit for delivering quality services. They suffer from a shortage of suitable space to meet rising demand, with upstairs spaces in the Victorian building beyond use entirely. Renting external rooms to deliver activities was a drain on their finances and the increasingly poor state of the Halls was limiting the potential surplus from venue hire that could be reinvested in their services. Toynbee Hall owned assets – Sunley and Attlee House – were losing money and their management was detracting focus from the organisation’s charitable aims. The following map show the location of Toynbee Hall.



- 5.2 The seven year strategy to turn the increasingly dilapidated space into a genuine asset to the borough will allow Toynbee Hall to re-model and strengthen their frontline service delivery and ensure that the organisation can meet growing local demand for their work and pioneer new solutions to social problems by involving the community through volunteering, shaping the services, and engaging in learning

and education.

- 5.3 A new building at 28 Commercial Street will be built in place of Profumo House, consisting of the new Centres for Advice and Wellbeing and four floors of commercial office space let at competitive commercial rates to bring in a sustainable source of unrestricted funding for the charity's activities. It will operate alongside new spaces created in the historic building and the transformation of Mallon Gardens into a cohesive, accessible public space. This will provide a diverse offer to Tower Hamlets residents consisting of learning programmes such as English language and managing finances, advice and wellbeing services, and showcase the organisation's history of reform and action to inspire those facing similar hardships today and encouraging heritage visitors to the borough.

6.0 Business Case

6.1 Overview/General

As indicated above the project will deliver a refurbished heritage asset and new space that will enhance the organisation's offering to the residents of the borough.

Toynbee Hall has provided some background data relating to the people that use the services that they offer. This is as follows:

Older people's health, addressed in programmes including exercise and health promotion workshops:

- Life expectancy in Tower Hamlets at age 65 for men (17.3 years of life on average) and women (20.7 years of life on average) is lower than in London and England; On average, a man living in the borough starts to develop health problems from the age of 54 compared to 64 in the rest of the country. For a woman, it is 56 compared to 64;
- 63% of older residents had a limiting long-term condition which limited their day-to day activities "a little" (26%) or "a lot" (37.6%). A higher proportion (37.6%) of older residents had a long-term illness which limited day-to-day activities "a lot" compared to London and England;

Older people's independence, practical help with accessing benefits and online services, provision of subsidised meals and activities:

- Half of older people in the borough live in income deprived households. A higher proportion of older people live in social housing in Tower Hamlets (64% - 69% depending on age group) than in London and England;

Older people's social activities, peer phone club, outreach work in homes

- A model that estimates subjective loneliness at borough, middle and lower super output areas, ranks Tower Hamlets as the highest of London boroughs London and 1 out of 326 for England, meaning that persons aged over 65 living in Tower Hamlets are predicted to be among the loneliest in both London and England

Debt and financial capability:

- Research by the Money Advice Service and data specialists CACI found that Tower Hamlets is second only to Newham as the most over-indebted local authority with 22.7 per cent of the population affected.
- A lack of savings in low income households limiting their ability to deal with unexpected life events such as bereavement, rent increases, or change in employment. The Resolution Foundation found that 57% of low income households have no savings at all.
- Additional fees and charges inflicted by service providers, particularly utilities, insurance and furniture, for packages or payment methods that are appealing to low income households. Toynbee Hall's own research indicates that in Tower Hamlets this "poverty premium" costs low income households £1,014 a year.
- A reliance on high cost credit to meet short term needs. Even since the Payday Loan cap, someone borrowing £200 may pay back an additional £86. Over 2 million households pay out over 25 per cent of their gross household income on unsecured debt repayments, over half of which have a household income below £30,000.

6.2 Project Drivers

The project drivers have been outlined above and the brief is attached to this document however to summarise, the overall aims are

- To preserve a community and heritage asset;
- To enable the organisation to increase its capacity and space to meet the growing need for its services;
- To have community space available for the residents of the borough to support healthy living, reduce call on medical services and promote independent living;
- To have commercial office space that will secure income to support the charity's objectives; and
- To transform Mallon Gardens into a cohesive, accessible public space.

This project is aligned the Council and Mayoral priorities around supporting

community groups, heritage assets and community buildings. The services that are delivered are closely aligned with the Mayoral priority to tackle poverty.

6.3 Deliverables, Project Outcomes and Benefits

The outcome of the project overall will be to deliver the following complex of buildings which will facilitate the services to the residents of the borough.

The Centre for Advice

Basement floor: 224sqm consisting of large waiting area with IT facilities; staff duty base; an Initial Assessment area; 8 confidential interviewing spaces; 2 meeting rooms; group work space; DDA standard toilet facilities; secure confidential storage space

The Centre for Advice will be a place for service users to receive high quality face-to-face and phone support from the organisation's staff and volunteers. It will act as the home of the Free Legal Advice Centre, MacMillan Cancer Support and advice services in debt, social security, housing and employment issues, as well as programmes allowing communities to drive change, such as the financial inclusion programme which places trained "money mentors" at the heart of disadvantaged communities. The most common advice issues that they deal with are debt, welfare benefits, housing, employment and family.

In 2016-17 the organisation saw over 850 Tower Hamlets residents experiencing or at risk of financial exclusion and debt receive free debt advice from the organisation on recurring debt issues included council tax, rent arrears, benefit overpayments and credit cards. At least 400 Tower Hamlets residents unable to afford legal help used the free legal advice service to understand and resolve their legal issues.

The Centre for Wellbeing

Ground floor; 227sqm consisting of a communal lounge and fully fitted kitchen, a quiet room with treatment couch, 2 x activity rooms with movable furniture and ample storage and toilets including an accessible toilet; retractable partitioning

The Centre for Wellbeing will provide care, facilities and services for older people (65+) to combat isolation and increase resilience, allowing older people to live independently for longer. Over 750 older people improve their physical and mental health with these services every year. Its programme will include a Lunch Club, fitness classes, health awareness workshops and visits from health professionals as well as social activities, intergenerational events and workshops skills. The services are fully integrated with local health provision with regular referrals from the Reablement Team and local GPs. The service is co-produced with its beneficiaries and overseen by a service user board; decisions such as opening at weekends due to lack of local provision have been made on the basis of users' decisions.

Additional benefits, investment in the borough and the organisation’s future

The sale of two of Toynbee Hall’s buildings will allow for a 49 apartment residential scheme including 35% affordable housing in line with LBTH policy, allowing for 13 new units for families to be available in the borough at reasonable prices.

Toynbee Hall’s income brings in over £4.5m a year in government contracts, £1m a year from donations and legacies and £250,000 from estates and trading income. Of this, they receive £64,000 a year from the London Borough of Tower Hamlets every year for our Debt and Money Advice Partnership and lunch club activities with older people, and they have received £600,000 a year since 2014 to act as lead partner for the borough-wide LinkAge Plus service.

Over the coming years, Toynbee Hall hope to ensure their sustainability as an organisation by strengthening their ability to bring in income independent of local authority funding. The redevelopment work will be a key investment; Toynbee Hall’s successful venue hire business will have improved facilities and spaces to grow audiences and income and Profumo House will have four floors to generate commercial rental income. This will maximise the potential to bring in unrestricted income to give the organisation financial freedom to develop new services that tackle local issues before they get to crisis point. 4-16 commercial businesses will be hosted onsite, bringing new business opportunities to the borough. It should be noted that the s106 contribution is not associated with the commercial aspect of the project but is to ensure that the building can be redeveloped which then facilitates the delivery of the services commissioned by the Council

After five years of operation, they are projecting that the total incoming revenue will be £300,000 per annum.

6.4 Other Funding Sources

The total cost of the project is £16,754,300. Toynbee Hall has already raised substantial funding for this project which is set out in the table below.

Funding source	Value £
Sale of the lease of Attlee House, College East and Sunley House by Toynbee Hall to London Square Developments Limited	10,124,300
Loan from Charities Aid Foundation	2,500,000
Heritage Lottery Fund	1,731,300
Big Lottery Fund	445,000
Garfield Weston Foundation	250,000

Coutts Foundation	175,000
Tudor Trust	100,000
Viridor Credits Environmental Company	98,700
London Marathon Charitable Trust	76,700
Fidelity UK Foundation	69,000
Wolfson Foundation	40,000
Other trusts and foundations	117,000
Social financing	159,800
Toynbee Hall's own funds	450,000
Major donors	112,500
TOTAL RAISED	16,449,300
Shortfall (s106 request)	305,000

All of the above sources of funding (except the s106 contribution) are already confirmed.

7.0 Approach to Delivery and On-going Maintenance/Operation

- 7.1 Toynbee Hall have a sustainable business model that follows from the investment in the buildings. They indicate that the new and refurbished estate will in fact increase their capacity to be self-sustaining. The Council already commissions them to provide some important services as discussed above so having the facility to continue those services provides continuity for the Council and the residents that benefit from the services.
- 7.2 Toynbee Hall has taken account of its ongoing revenue costs to sustain the investment. They have indicated that the new facilities will reduce the costs of hiring external accommodation as well as reducing running costs as the new estate will be easier and more cost effective to maintain. Enhancing the heritage asset will enable it to increase its income generation capacity.
- 7.3 Planned maintenance will be put in place by Toynbee Hall and factored into their future financial planning. The delivery of the works to Toynbee Hall has been contracted to Thomas Sinden following a tender procedure finalised in March 2016. Once works are completed, the maintenance of the site and the historical asset will be the responsibility of Toynbee Hall and the corresponding costs have been factored into projected financial expenditure.
- 7.4 Toynbee Hall is committed to using the Centre for Advice and Centre for Wellbeing for their intended purpose stated elsewhere in this document. Beyond its own

mission and commitments to our service users, the external funding commitments bind it to delivering our established outcomes for at least 20 years following the completion of the site. The four floors of commercial office space will be let to 1-4 organisations on the basis that Toynbee Hall will fit out the spaces to Cat A standard and companies hiring the space will be responsible for providing furniture, kitchen facilities, IT and so forth. As stated elsewhere, the contribution of less than 2% of the overall cost of the project is not to support the commercial aspect of it but the provision of the community projects and advice activities.

- 7.5 This funding will be made as a grant to Toynbee Hall and as such will need to be considered by the Grants Determination Sub Committee.

8.0 Infrastructure Planning Evidence Base Context

- 7.6 The Evidence Based references the Council's proposed Asset Strategy as the most relevant in terms of policy as to how the Council intends to treat multi-use community centres. It also notes that the Asset Strategy was to propose a rationalisation process whereby community hubs will be formed and managed by the Council, resulting in fewer community facilities but specialised community hubs that will be more efficient in cost and management terms, and more effective at delivering community services. Additional facilities run by private or charitable organisations would in turn provide a valuable addition to the Council's Community Hub proposal, assisting in delivering valuable community services.

- 7.7 The Evidence Base notes that the demand for this type of facility is difficult to assess on a quantitative basis, and that the quality of the facilities is key. The proposals for Toynbee Hall recognise that the facility provided a valuable asset to LBTH residents, and that the current facilities were not fit for purpose, nor efficient in cost and management terms. The proposed project would therefore seek to rationalise the delivery of services at Toynbee Hall, including the Council's Debt and Money Advice Service, and would allow for the continuing delivery of a quality service to LBTH residents, in line with the need identified in the Evidence Base

9.0 Opportunity Cost of Delivering the Project

- 9.1 The funding that will be awarded to Toynbee Hall if this request is agreed in a contribution to the capital works that will facilitate the ongoing delivery of services to the community. It will also allow the organisation to generate revenue which will ensure its sustainability and continued delivery of services including some which are commissioned by the Council.

- 9.2 The project secures a heritage asset, provides community facilities and services and enhances a public space in the borough. If this project were not being supported, there would be a cost to the Council to recommission the projects which are already grant aided as described below. The projects described below work towards achieving the Council's priorities in terms of wellbeing and managing the demand for social care which in turn reduces the cost of the service.
- 9.3 Toynbee Hall delivers many Council commissioned projects. The Council currently gives an annual grant of £14,000 to run a Lunch Club and activities for local older people. This makes up 11% of the expenditure for this work. The remaining 89% is made up through Toynbee Hall's own fundraising and subsidising from its unrestricted expenditure. A peer led research project into older people's needs is currently being undertaken on the basis of a contribution by Tower Hamlets with the bulk of funding made up from Toynbee Hall's own funds. During the delivery of the work, alternative accommodation has been secured very close by from which these services are continuing to be delivered. The monitoring of the projects is separate to the construction project and there have been no issues raised over service continuity.
- 9.4 Toynbee Hall has historically run many services on this basis, including one on one support following benefits reform and Financial Inclusion in Tower Hamlets programme. An investment in this project from Tower Hamlets will ensure that they are able to continue to deliver projects commissioned by or valuable to the Council at a substantially lower rate than we would pay if they were commissioned from a private provider.
- 9.5 Toynbee Hall's activities also include activities that aim to avoid calls on support services these include:
- Over 100 falls screening assessments are undertaken with local older people every year, reducing the need for emergency services due to falls
 - Programme of activities allowing older people to maintain their independence including practical support with paperwork and benefits, volunteer outreach to support with shopping, and peer support networks offer savings in hospital beds
 - Problem debt has a considerable social cost: StepChange projects problem debt costs society £8.3 billion across the UK, made up of costs associated with mental and physical health, increased 'desperation' crime, relationship breakdown, small business closure, eviction, job loss and lost productivity
 - In 2016-17 711 cancer patients were helped to claim over £2m in benefits to help them combat the financial impact of cancer, around 15% of which were

local residents.

10.0 Local Employment and Enterprise Opportunities

- 10.1 Over 400 people volunteer at Toynbee Hall every year, a substantial number of which are drawn from the local community. Key areas include:
- Volunteering in the older people's centre facilitating activities such as women's groups, yoga, cultural groups and games sessions; skilled work as massage therapists and nail technicians
 - Pro bono legal volunteering in our Free Legal Advice Centre (over 150 per year)
 - Heritage volunteering including archiving and research, supporting community projects and
 - local businesses doing volunteering days such as hosting IT sessions. These have included Credit Suisse, Lockton Insurance and Liberty International Holdings plc.
- 10.2 Volunteering is a key means for career progression within the delivery organisations and in helping unemployed people back into work externally. Recent examples include Toynbee Hall employing a local LinkAge volunteer as their Wellbeing in Tower Hamlets Coordinator.
- 10.3 Toynbee Hall has employed two apprentices since March 2016, both locally based, both of whom have been taken on for full time jobs in HR and facilities.
- 10.4 Opportunities for work experience are offered in partnership with targeted local organisations including schools and local colleges. Toynbee Hall has partnered with four local secondary schools including Bishop Challoner Catholic Federation of Schools, Mulberry School and Tower Hamlets College and hosts up to 4 volunteers per week from students on relevant courses such as health and social care. Toynbee Hall works with Tower Project to support two placements of people with learning disabilities or mental health problems every 3-4 months - a total of 6-8 per year - to increase employability through developing time management, communication and interpersonal skills.
- 10.5 Posts are advertised locally in the borough including through local employment services. Toynbee Hall is committed to ensuring that equal opportunities underpin all activities and pay staff connected to the service a London Living Wage.

10.6 Toynbee Hall has no plans to use agency staff on this project and also commit to contributing to at least one local job fair on an annual basis.

11.0 Financial Programming and Timeline

Project Budget

Table 1			
Financial Resources			
Description	Amount £	Funding Source (£)	Funding (Capital/ Revenue)
Redevelopment of historic halls	6,836,900	305,000	S106 Revenue (grant)
Construction of new building at 28 Commercial Street	6,903,900		
Funding costs including disposing of capital assets and cost of fundraising and financing	1,063,200		
Project Overheads	847,900		
Project Management	503,200		
Associated heritage project activities	334,200		
Overall project contingencies	265,000		
Total	£16,754,300		

This is the project budget from the organisation which will be under their management. The contribution from s106 funding is part of the overall fundraising effort. It will be made in the form of a grant which is accounted for by the Council as a revenue cost. The value of the contribution is less than 2% of the overall budget. Toynbee Hall will be responsible for delivering the project within their own financial planning so are taking the financial risks themselves.

Project Management

The project is in the direct control of Toynbee Hall and they will need to manage it within budgets and resources that they control.

Sources of Funding

Table 2 – Sources of Funding	
	Value £
Sale of the lease of Attlee House, College East and Sunley House by Toynbee Hall to London Square Developments Limited	10,124,300
Loan from Charities Aid Foundation	2,500,000
Heritage Lottery Fund	1,731,300
Big Lottery Fund	445,000
Garfield Weston Foundation	250,000
Coutts Foundation	175,000
Tudor Trust	100,000
Viridor Credits Environmental Company	98,700
London Marathon Charitable Trust	76,700
Fidelity UK Foundation	69,000
Wolfson Foundation	40,000
Other trusts and foundations	117,000
Social financing	159,800
Toynbee Hall's own funds	450,000
Major donors	112,500
TOTAL RAISED	16,449,300
Shortfall (s106 request)	305,000

Financial Profiling

Toynbee Hall advise that spent to date £3,685,902 has been spent to date for all previous design, planning and funding costs including disposing of capital assets,

and for works beginning February 2016. The table below shows the financial profiling of the remaining expenditure.

Table 2					
Financial Profiling					
	Q1 April – June £	Q2 July – Sept £	Q3 Oct – Dec £	Q4 Jan – Mar £	TOTAL
2016-17		3,816,881	3,504,352	2,207,849	9,529,082
2017-18	2,316,166	997,254	217,240	8,656	3,539,316
Total					13,068,398

Outputs/Milestone and Spend Profile

The spend profile and milestone are under the control of the organisation. The s106 contribution is a small element (just under 2%) of the overall funding. The organisation has indicated that the following financial milestones will apply.

In addition to the financial outputs, Toynbee Hall expects that they will be able to deal with the ongoing and increasing demand for their debt management and legal advice services. This will be reported on a regular basis however the prevention and wellbeing services are difficult to quantify as the aim is that they avoid individuals needing other locally funded services or that they are able to better manage their financial circumstances which includes being able to pay their council tax.

The project has the usual professional advisors who have provided expertise to ensure that the cost estimates are sound and in line with industry expectations for a building of the nature of this asset.

Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
0	To date, works have been undertaken to the site since March 2016. Key milestones delivered include: <ul style="list-style-type: none"> • sale of assets and raising majority of funds • demolition of Profumo House to create space for new build • demolition of extensions added to Toynbee Hall in the 1970s • demolition of internal walls to create space for new delivery areas and exhibition spaces 	£3,685,902	June 2016
1	PID approval process Repairs and decorations to Ashbee Hall and Lecture Hall Design of exhibition finalised	£3,816,881	Sept 17
2	Cabinet meeting for Section 106 grant External works to historic building including concrete frame and brickwork to extensions Structure above foundations and waterproofing works to new build	£3,504,352	Dec 17
3	Internal finishes and restoration works to key areas of historic building; finalised design for exhibition space. External envelope (outer walls and roof) of new build complete	£2,207,849	March 18
4	Historic building open and available to the public Heritage and learning programmes begin delivery in Toynbee Hall space and local schools	£2,316,166	June 18
5	Building of new build complete – handover from contractors to Toynbee Hall	£997,254	Sept 18
6	Internal fit-out of new build by Toynbee Hall including electrics and facilities New build complete and advice and wellbeing services delivered	£217,240	Dec 18
7	Launch events for new build	£8,656	March 19
Total		£16,754,300	

12.0 Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor/ Manager: Neville Murton will be the overall project lead from the Council supported by Suzanne Jones and other member of Resources Directorate (Revenues and Benefits in particular) whose teams make referrals to the services provided
- External Project Manager: Rosie Spiegelhalter (Project Manager, Toynbee Hall)

13.0 Project Reporting Arrangements

- 13.1 This project will be directly managed by the organisation. Quarterly reports will be sent to the Project Sponsor, Neville Murton, giving updates on the construction and the financial position.
- 13.2 Outputs in terms of people making use of the service will be supplied on an annual basis to Revenues and Benefits. The services that are commissioned are monitored as separate projects outside this arrangement.

14.0 Quality Statement

- 14.1 The performance and quality of the project are being overseen by the organisations executive and management boards. They will be responsible for ensuring the management of the key deliverables and the programme timetable.

15.0 Key Risks

- 14.1 The risk register for the project is held by the organisation and they will manage them in line with their own processes.
- 14.2 The risk for the Council is that if the project does not complete, some of the services that are delivered by the organisation may cease which would be detrimental to residents and may put strain on services provided by the Council.

16.0 Key Project Stakeholders

- 15.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.

Table 4			
Key Stakeholders	Role	Communication Method	Frequency

Table 4			
Key Stakeholders	Role	Communication Method	Frequency
Local Authority	Minor funder	Via project manager	Quarterly
Trustees	Sponsors	Via project manager	At least quarterly
Other funders	Funders	Via project manager	TBC

17.0 Stakeholder Communications

16.1 As a minor stakeholder from a funding perspective, the Council will receive regular reports on the progress of the building project. The project manager from Toynbee Hall is happy to provide any information that the Council would like and is happy to receive visits.

18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director, Finance, Procurement and Adult	Neville Murton		

Project Closure

[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]

Appendices

[Amend as necessary]

Appendix A: Detailed project brief from Toynbee Hall

Appendix B: Detailed Map

Project Closure Document

Project Closure Document							
1.	Project Name:						
2a.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
2b.	<ul style="list-style-type: none"> Key Outputs <i>[as specified in the PID]</i> Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i> Employment & Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i> 						
3a.	Timescales I confirm that the project has been delivered within agreed time constraints.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
3b.	<ul style="list-style-type: none"> Milestones in PID <i>[as specified in the PID]</i> Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i> Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback) 						
4a.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					


4b.

- Project Code
- Project Budget *[as specified in the PID]*
- Total Project Expenditure *[Please outline reasons for any over/underspend]*
- Was project expenditure in line with PID spend profile *[Please outline reasons for any slippage in spend encountered throughout the project]*

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes		No	
		Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 				
	<hr/> <hr/>				
	<ul style="list-style-type: none"> • Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> 				
	<hr/> <hr/>				
<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 					
<hr/> <hr/>					
<ul style="list-style-type: none"> • Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> 					
<hr/> <hr/>					
<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 					
<hr/> <hr/>					
<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 					

9.	<p>Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>		
10.	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.		
	Sponsor (Name)		Date
	Project Manager (Name)		Date

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Actin Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Consultations on a new Community Infrastructure Levy (CIL) Charging Schedule and submission for examination</p>	

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

1. EXECUTIVE SUMMARY

- 1.1 The CIL is a pound per square metre charge on most types of new development, charged to pay for supporting infrastructure. The rates currently chargeable in Tower Hamlets (which exclude the area of the borough within the London Legacy Development Corporation area which is subject to a separate charge) are set out in a Charging Schedule that was adopted by the Council in April 2015.
- 1.2 This document has been prepared in order to seek approval from the Mayor in Cabinet to undertake consultations on a new local Community Infrastructure Levy (CIL) Charging Schedule as well as submit for examination.
- 1.3 The rates proposed in the initial consultation version of the Council’s proposed new Charging Schedule, the “Preliminary Draft Charging Schedule” (PDCS) which is attached at Appendix A, have been informed by viability evidence prepared by BNP Paribas Real Estate. This evidence is captured in the “CIL Viability Study”, attached at Appendix B.
- 1.4 In accordance with the requirements of the CIL Regulations and associated guidance, a number of other documents support the PDCS including a “Supporting Evidence and Funding Gap Report” which is attached at Appendix C.
- 1.5 A minimum of two consultations on a new Charging Schedule are required, first on a Preliminary Draft Charging Schedule, then on a Draft Charging Schedule (DCS). Following this, a public examination and adoption at a Full

Council meeting are required. Whilst it is difficult to be precise on the timescales for the adoption of a new Charging Schedule, some indicative key timescales can be found below:

Action	Dates
Consultation 1	08/01/2018 - 26/02/2018
Consultation 2	20/06/2018 – 01/08/2018
Examination in Public	05/12/2018
Full Council	04/04/2019
Adoption	14/04/2019

2. **RECOMMENDATIONS**

2.1 The Mayor in Cabinet is recommended to:

1. Approve the *Tower Hamlets CIL Preliminary Draft Charging Schedule* (Appendix A of this report) and supporting evidence (listed below) for a 6 week public consultation.
2. Authorise the Corporate Director of the Place Directorate to:
 - Approve minor modifications to the PDCS following the public consultation;
 - Where no material modifications are required to the proposed Charging Schedule following the consultation on the PDCS, approve the undertaking of a subsequent consultation on a DCS;
 - Where no material modifications are required following the consultation on the DCS, to approve the submission of the Council's proposed Charging Schedule and associated evidence base for public examination.
3. Note that if material modifications to the Charging Schedule following consultation are required, that approval to undertake a subsequent consultation will be referred to the Mayor in Cabinet.
4. Note BNP Paribas Real Estate's *CIL Viability Study* (Appendix B) that forms part of the supporting evidence for the PDCS. The document appended is less its appendices (as they run to 244 pages) – the full document including the appendices is available separately as a background document. The full document will be published for consultation.
5. Note the *Supporting Evidence and Funding Gap Report* attached at Appendix C. This document explains the infrastructure planning criteria the Council must account for in adopting a new CIL Charging Schedule.

6. Note other associated documents that will be published alongside the PDCS, including:
 - An Equality Assurance Checklist (Appendix D – not subject to consultation);
 - A Payment in Kind and Infrastructure Payments Policy (Appendix F);
 - Charging Schedule Explanatory Notes (Appendix G).
7. Approve the adoption of an updated Instalments Policy (Appendix E).

3. REASONS FOR THE DECISIONS

- 3.1 The reason for the decision is to ensure that the Council's CIL rates are set at an appropriate level, to allow the Council to maximise the funding to deliver much needed supporting infrastructure.
- 3.2 Consultations on the proposed Charging Schedule are required prior to the examination and adoption of a new Charging Schedule.

4. ALTERNATIVE OPTIONS

- 4.1 One alternative option would be to not seek to renew the Council's CIL Charging Schedule. This is not considered appropriate because this would result in the Council not maximising its CIL income.

5. BACKGROUND

What is CIL?

- 5.1 CIL is a pounds per square metre charge on most new development and must be used to help deliver infrastructure to support the development of the area. It can be used to provide new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development. Please note that the Council currently collects the Mayor of London's CIL as well as local CIL – this document only pertains to the Local CIL Charging Schedule.
- 5.2 CIL is payable on the commencement of relevant planning permissions. It generally takes many months for any development to go from permission to commencement and it can take up to three years for larger developments to commence.
- 5.3 CIL is charged on most types of development and the CIL Regulations are highly prescriptive on the way CIL is calculated and applied to development;

unlike with Section 106 there is no negotiation. However, developers may apply for relief from the CIL payment for affordable housing dwellings or for developments by charity and, if permitted by the local authority, exceptional circumstances although the Council has never approved an application on this basis.

- 5.4 Seeking CIL contributions and planning obligations to pay for the same type of infrastructure is generally prohibited (the only exception to this relates to financial contributions from development for Crossrail). The Council has a Regulation 123 List (within Appendix C) which identifies the types of projects on which the Council intends to spend its CIL. The Council will be further reconsidering its Regulation 123 List alongside the Planning Obligations Supplementary Planning Document which will identify what CIL may be spent on and what may be sought through Section 106 Planning Obligations.

How can a Charging Authority spend CIL?

- 5.5 Subject to the restrictions set out in paragraph 5.1 above, it is the authority of the Executive to decide how to spend CIL. All expenditure decisions of the Council are the function of the Council's Executive unless regulatory functions require otherwise. There are no regulatory restrictions on CIL or S106 in terms of who decides how these funding sources are spent. CIL was provided for in the Planning Act 2008. It is a financial charge that local authorities can levy on developments to help fund infrastructure such as schools, health, open space and transport facilities to support growth in an authority's area. Please note that the proposals described in this document do not relate to how the Council will spend current or future CIL income.

How are CIL rates set?

- 5.6 A requirement of CIL rate setting is the need to demonstrate that the Council needs, in financial terms, to charge a CIL to deliver infrastructure to support development. Therefore, the Council must identify a funding gap in delivering infrastructure to support development. This information is set out in Appendix C.
- 5.7 CIL rates are based on what development across the borough can viably afford. The Council commissioned BNP Paribas Real Estate to undertake a Viability Study to establish the rates that can apply in Tower Hamlets' Charging Authority Area. It should be noted that rates cannot be set to reflect the Council's funding gap as CIL must be based on what development can viably afford. CIL is only one funding stream that should be utilised to fund infrastructure
- 5.8 The Viability Study undertakes testing on generic development types across the borough as well as a number of selected "Strategic Sites" which are made up of a selection of the Council's site allocations in the *Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits (Regulation 19 version)*. The Viability Study takes account of all of the policy costs attached to the new draft Local Plan. Please find the Viability Study attached at Appendix B.

What is the process for adopting a new CIL Charging Schedule?

5.9 In order to implement a new Charging Schedule for Tower Hamlets, the CIL Regulations 2010 (as amended) require that a Charging Schedule setting out CIL rates must be the subject of at least two stages of consultation.

5.10 Guidance states that Charging Authorities should make these consultations at least 6 weeks long. Before the Charging Schedule can be adopted it must then be approved at a public examination and then adopted in a Full Council meeting.

6. **PROPOSALS**

Proposed rates

6.1 The following table identifies the Council's current CIL rates (in brackets) alongside the rates proposed (bold, red) in the new Charging Schedule:

Development type	Proposed CIL rate per sq. m (GIA) of development			
Residential (Sale)	Zone 1	Zone 2	Zone 3	Large Allocated Sites*
	(£200) £280	(£65) £180	(£35) £85	(Nil) N/A
Offices	City Fringe	North Docklands	Large Allocated Sites	Rest of Borough
	(£90) £100	(Nil) £100	(Nil) N/A	(Nil) N/A
Retail (Except Convenience Supermarkets/ Superstores and Retail Warehousing)	(£70) £90	(£70) £90	(Nil) TBC	(Nil) N/A
	Convenience Supermarkets/ Superstores and Retail Warehousing			Large Allocated Sites*
Convenience Supermarkets/ Superstores and Retail Warehousing	Borough Wide, except Large Allocated Sites			Large Allocated Sites*
	(£120) £130			(Nil) N/A
Hotel	Borough Wide, except Large Allocated Sites			Large Allocated Sites*
	(£180) £190			(Nil) N/A
Student Housing Let at Market Rents	Borough Wide, except Large Allocated Sites			Large Allocated Sites*
	(£425) £450			(Nil) N/A
Student Housing Let at Below Market Rents	Borough Wide, except Large Allocated Sites			Large Allocated Sites*
	(Nil) Nil			(Nil) N/A
All Other Uses	Borough Wide			
	(Nil) Nil			

* Note that the Council's current Charging Schedule has a nil rate for four sites (Wood Wharf, Westferry Printworks, Bishopsgate Goods Yard and London Dock) that were rated as such by the examiner of the Council's current Charging Schedule. The newly proposed Charging Schedule does not intend to nil rate these sites.

- 6.2 The Council's PDCS attached at Appendix A describes the rates proposed.
- 6.3 Whilst CIL income is very difficult to project, it is estimated that a new Charging Schedule could raise up to an additional £90m for the Council up to the end of the year 2030/31.

Proposed consultations

- 6.4 It is proposed that the consultation on the PDCS will take place from early January 2018 and run for a period of 6 weeks. All consultations carried out will comply with the Council's Statement of Community Involvement.
- 6.5 Following the close of the consultation on the PDCS, representations made will be considered and amendments to the Charging Schedule will be made as necessary. All representations will be published on the Council's website.
- 6.6 A consultation on a DCS will then be carried out, followed by necessary amendments and submission to the Planning Inspectorate for examination.

Modifications to the Charging Schedule following consultation

- 6.7 Section 2 above recommends that the Corporate Director of Place is authorised to approve minor modifications to the PDCS and DCS following consultation and approve the referral of the proposed Charging Schedule for examination.
- 6.8 Minor modifications include any changes made for accuracy and clarity such as changes to terminology or formatting, and includes changes to the rates of 10% or less. Substantial amendments will be referred back to the Mayor in Cabinet for approval.

Adopting a new Instalments Policy

- 6.9 Approval to make minor amendments to the Council's Instalments Policy for the Local and Mayor of London's CIL, from the 1st January 2018, is also being sought.
- 6.10 The main change to the Instalments Policy is to amend the monetary threshold at which payment can be made in two instalments. Currently, if the amount payable to the Council exceeds £500,000 then payment can be made in two instalments. It is proposed to reduce this threshold to £100,000. Please refer to Appendix E for the proposed amended Instalments Policy.
- 6.11 The reason for the proposed change is to reflect a proposed change to the Mayor of London's Instalments policy in respect of the London Mayor's CIL. The change by the Mayor of London which will be adopted from the 1st January 2018 is proposed to assist Small and Medium Sized Enterprises (SMEs) in paying the levy.

- 6.12 Planning and Building Control recommend amending the Council's Instalments Policy because it will support small and medium sized development and will not likely affect the Council's cash flow in any material way. In addition, it is worth noting that the vast majority of other London Local Authorities, particularly those with high levels of development, already have Instalments Policies that allow multiple payments at lower thresholds.
- 6.13 Planning and Building Control will keep its approach to its Instalments Policy under review on an ongoing basis and make amendments if necessary.

7 COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 This report seeks approval for amendments to be made to the charging schedule for the Tower Hamlets Community Infrastructure Levy and for a consultation process on the revised schedule to be undertaken. The charging schedule will ultimately be subject to an independent examination by the Planning Inspectorate, following which the charging schedule will be submitted to full Council for implementation in April 2019.
- 7.2 The updated charging schedule has been developed and revised by officers in conjunction with external advisors, and has been prepared in accordance with the Authority's infrastructure needs and development viability assessment. The revised draft charging schedule is attached at Appendix A. Based on the latest development assumptions and the revised charging schedule, it is anticipated that in the period to 2030/31, CIL will generate resources of approximately £331 million. This is a significant increase on the £241 million that would have been received based on the existing charging schedule rates.
- 7.3 The revised likely infrastructure needs within the borough over the period to 2030-31 were assessed as part of the evidence base that was prepared to support the revision of the CIL rates. This assessment is included as Appendix C. These are valued at approximately £1.901 billion, of which indicative funding of £1.011 billion has potentially been identified across the various public agencies. This leaves a funding gap of approximately £900 million before CIL charges. It should be noted that these are the infrastructure needs of all the major public sector organisations within the borough, and it is not solely the Council which must seek additional resources to meet the assumed infrastructure need.
- 7.4 The infrastructure needs and the likely resources available must be continually reviewed, but based on assessments within the evidence base, the funding gap of £900 million will be partly filled through the estimated CIL income of £331 million, leaving an overall indicative funding need of £569 million across the organisations within the Borough.
- 7.5 The costs of the consultation and inspection processes will be met from within existing resources.

7.6 In addition to the Council's own CIL, the Borough will continue to be responsible for the collection of the Mayor of London's CIL which is independent of the Council's CIL requirement.

8 LEGAL COMMENTS

8.1 The statutory framework for CIL is set out in sections 205-225 of the Planning Act 2008 ("PA 2008") and further detail is provided principally in the Community Infrastructure Levy Regulations 2010 (as amended) ("CIL Regulations"). This report seeks approval from the Mayor in Cabinet to carry out public consultation on the Tower Hamlets CIL PDCS and recommends that the Council adopts a new Instalments Policy.

8.2 The legislation in respect of CIL does not prescribe how decision making within an authority should operate in order to formulate a charging schedule, save from requiring that an approved charging schedule should be approved by a resolution of Full Council (PA 2008, s213(2)). Pursuant to section 9D of the Local Government Act 2000, all functions of an authority are executive functions unless they are specified as not, in either the 2000 Act or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended). Whilst some Planning functions cannot be the responsibility of the executive, the approval of a charging schedule for consultation (or the submission of it for independent examination) is not a specified function and it is therefore a decision for the Council's executive.

8.3 The legal requirements for the preparation of a CIL Charging Schedule are set out in section 211 of the PA 2008. The Council's PDCS must be informed by appropriate available evidence regarding viability and this report confirms that such evidence has been prepared. The Council's PDCS is set out at Appendix A of this report.

8.4 The Council must also have regard to any guidance issued by the Secretary of State under section 221 of the PA 2008 about any matter connected with CIL. The Council has prepared the PDCS and its supporting evidence in the light of the guidance on the Community Infrastructure Levy contained within the Planning Practice Guidance.

8.5 Pursuant to Regulation 15 of the CIL Regulations a charging authority must carry out an initial round of consultation on their PDCS, this includes sending the draft to the consultation bodies set out in the regulations, The Mayor of London, adjoining planning authorities and the Council must invite representations from persons resident or carrying on business in its area, as well as appropriate voluntary bodies. Any representations made must be taken into account before the Council publishes a draft of the charging schedule ("DCS") for examination.

8.6 Before the Council can submit a DCS for examination the Council is required to follow the procedures set out in Regulations 16 and 17. In summary this

requires the Council to publish the DCS, make copies of it available for inspection, send copies of it to the relevant consultation bodies and give notice by local advertisement setting out specified information including how and when representations can be made.

- 8.7 Before adopting the DCS, the Council as charging authority is required to appoint an independent examiner who has the appropriate qualifications and experience to examine the schedule. Upon the Examiner's recommendations being issued, final approval will be required from Full Council to adopt the CIL Charging Schedule, in accordance with s213 of the PA 2008. This report confirms that the relevant statutory requirements will be adhered to.
- 8.8 Section 69B of the CIL Regulations allows a Council who wishes to make provision for the payment of CIL by instalments, to publish an instalments policy on its website. An instalments policy can take effect any time commencing the day after the instalments policy is published on the Council's website. The date which it takes effect must be specified in the policy. There is no requirement for the Council to consult prior to the revision of its Instalments Policy. The proposed Instalments Policy (attached as Appendix E) meets the requirements set out in the CIL Regulations.
- 8.9 In taking decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. An Equality Assurance Checklist has been completed to assist the Council in their consideration of these matters and this is attached at Appendix D. This assessment did not identify any adverse effects on people who share a protected characteristic and accordingly concluded that no further actions are required at this stage.

9 ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 This report deals with setting rates of CIL to help raise funding to deliver infrastructure. This infrastructure will help the Council meet the objectives of One Tower Hamlets and those of the Community Plan.
- 9.2 It is hoped that the infrastructure projects funded by the Council's CIL will help reduce inequality and foster cohesion in the borough.

10 BEST VALUE (BV) IMPLICATIONS

- 10.1 The proposals set out in this document have been formed with consideration of the Best Value Duty and it's according Strategy and Action Plan.

11 **SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

11.1 It is hoped that the infrastructure delivered using the Council's CIL will help the Council meet its sustainability and environmental objectives.

12 **RISK MANAGEMENT IMPLICATIONS**

12.1 The proposals set out in this report seek to maximise the Council's income through CIL. Maximising CIL income will help mitigate against the risk of the Council being unable to provide enough infrastructure to support development.

13 **CRIME AND DISORDER REDUCTION IMPLICATIONS**

13.1 The proposals set out in this report seek to maximise the Council's income through CIL. This will help the Council deliver infrastructure that might assist with the Council's crime and disorder objectives.

14 **SAFEGUARDING IMPLICATIONS**

14.1 Not applicable.

Linked Reports, Appendices and Background Documents

Linked Report: None

Appendices:

Appendix A: Proposed Preliminary Draft Charging Schedule

Appendix B: Viability Study (less appendices)

Appendix C: Supporting Evidence and Funding Gap Report

Appendix D: Equality Assurance Checklist

Appendix E: An Instalments Policy

Appendix F: A Payment in Kind and Infrastructure Payments Policy

Appendix G: Charging Schedule Explanatory Notes

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

Full Viability Study, including Appendices

The Council's Infrastructure Delivery Plan (Regulation 19 Local Plan version)

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**Community Infrastructure Levy (CIL)
Preliminary Draft Charging Schedule**

xxDatexx

1. The Charging Authority

The London Borough of Tower Hamlets is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in its Charging Authority area.

2. Date of Approval

2.1 This Charging Schedule was approved by the Council on xxxxxxxx.

3. Date of Effect

3.1 This Charging Schedule will come into effect on xxxxxxxx.

4. Liability to Pay CIL

4.1 A chargeable development is one for which planning permission is granted and or which is liable to pay CIL in accordance with the CIL Regulations 2010 (as amended). CIL will be chargeable on the net additional floorspace (gross internal area¹) of all new development apart from those exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). These exemptions include:

- Developments where the gross internal area of new build² on the relevant land will be less than 100 square metres except where the development will comprise one or more dwellings;
- Buildings into which people do not normally go, or go into only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
- Development where the owner of a material interest in the relevant land is a charitable institution³ and the development will be used wholly (or mainly) for charitable purposes.

4.2 In addition, the Regulations also allow exemptions to be claimed for self-build housing, and residential annexes and extensions over 100 square metres (regulation 42A and 42B). Affordable housing will be eligible for relief from CIL (regulation 49).

¹ Please refer to the accepted method of calculation set out in the Royal Institution of Chartered Surveyors' Code of Measuring Practice: A Guide for Professionals.

² Please refer to Part 2 of the CIL Regulations 2010 (as amended).

³ Please refer to Part 5 of the CIL Regulations 2010 (as amended).

5. CIL Rates

5.1 The Council intends to charge different rates of CIL by the land use of a proposed development (expressed as pounds per square metre) and by the area where a proposed development is situated, as set out in the Table 1 below.

5.2 The Council is designated as the 'Collecting Authority' for the CIL of the Mayor of London. This requires a Mayor of London CIL to be charged in addition to the rates described in the table below.

Table 1 Proposed Rates

Development Type	Proposed CIL rate per m ² (GIA) of development		
	Zone 1	Zone 2	Zone 3
Residential (Sale)	£280	£180	£85
Offices	City Fringe and North Docklands		Rest of Borough
	£100		Nil
Retail (Except Convenience Supermarkets/ Superstores and Retail Warehousing)	£90	£90	TBC
Convenience Supermarkets/ Superstores* and Retail Warehousing**	Borough Wide		
	£130		
Hotel	£190		
Student Housing Let at Market Rents***	£450		
Student Housing Let at Below Market Rents****	Nil		
All Other Uses	Nil		

* Convenience Supermarkets/Superstores are defined as shopping destinations in their own right, where weekly food needs are met, catering for a significant proportion of car-borne customers, and which can also include non-food floorspace as part of the overall mix of the unit.

** Retail Warehousing is defined as shopping destinations specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for a significant proportion of car-borne customers.

*** Student housing not falling with the definition at **** below.

**** Student housing, provided in the form of affordable student housing as defined by the *Tower Hamlets Local Plan 2031: Managing Growth and Sharing the Benefits (Regulation 19 version)*, secured by a s106 planning obligation.

6. Charging Zones

- 6.1 The charging areas (Zones 1 to 3, City Fringe and North Docklands) referred to in the above table are illustrated on the Charging Zones Maps, attached at Appendix 1 of this document. The maps also identify the area of Tower Hamlets that falls within the boundary of London Legacy Development Corporation. Developments in these locations are not covered by this document and are subject to a Community Infrastructure Levy Charging Schedule adopted by the London Legacy Development Corporation.

7. Calculating the Chargeable Amount

- 7.1 CIL will be calculated on the basis set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended).

8. Inflation and Indexation

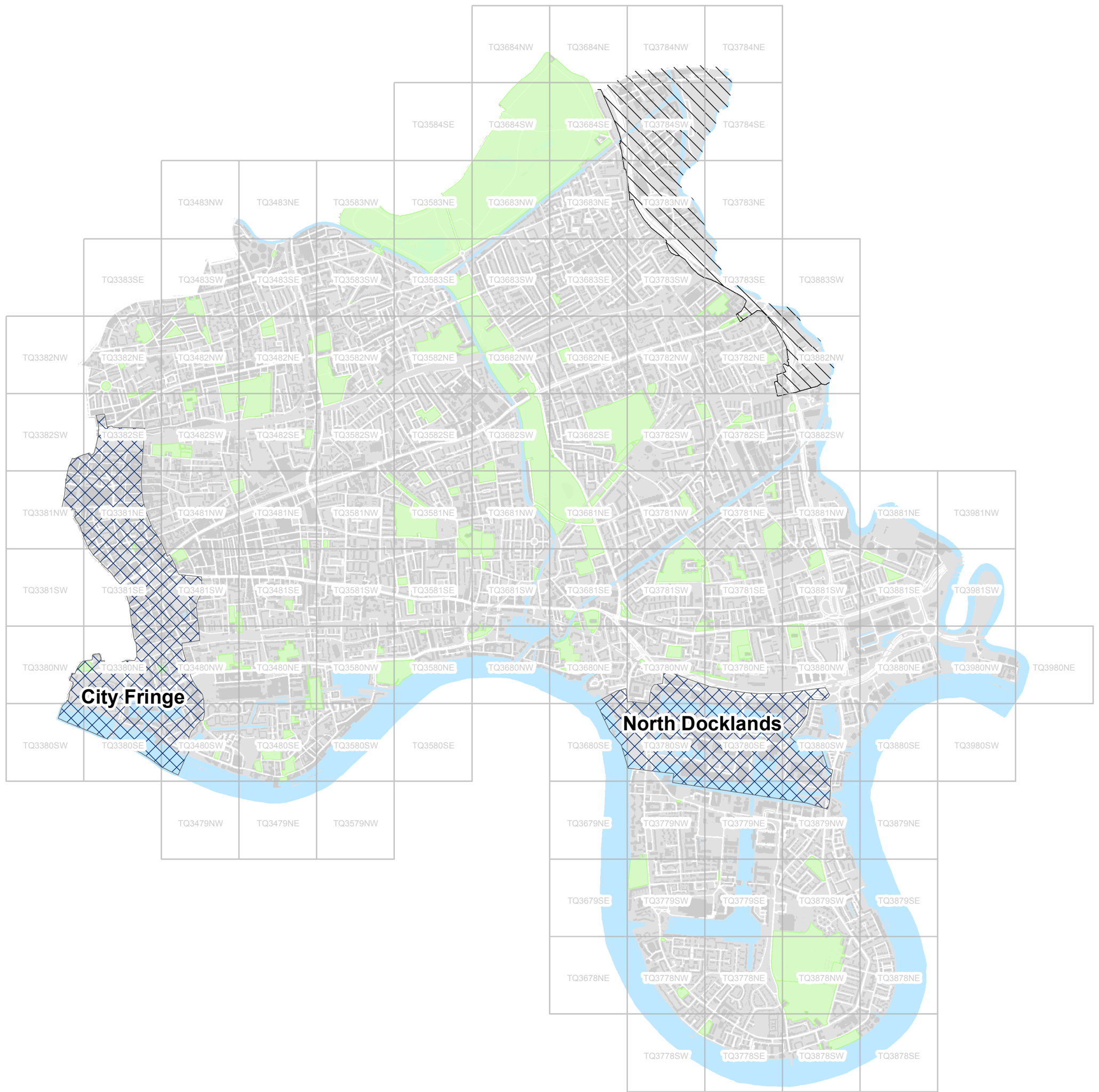
- 8.1 The rates referred to in Table 1 above shall be subject to annual indexation in keeping with the “All-in Tender Price Index” published by the Building Cost Information Service (BCIS). The rates should be increased by an amount equivalent to the increase in the index from the date hereof until the date on which the sums are payable provided that in the event that the “All-in Tender Price Index” shall decrease, the sum not fall below the figures set out.

9. Further Information

- 9.1 Further information on the Community Infrastructure Levy is available on the Council’s website www.towerhamlets.gov.uk/CIL

Appendix 1: Charging Area Maps

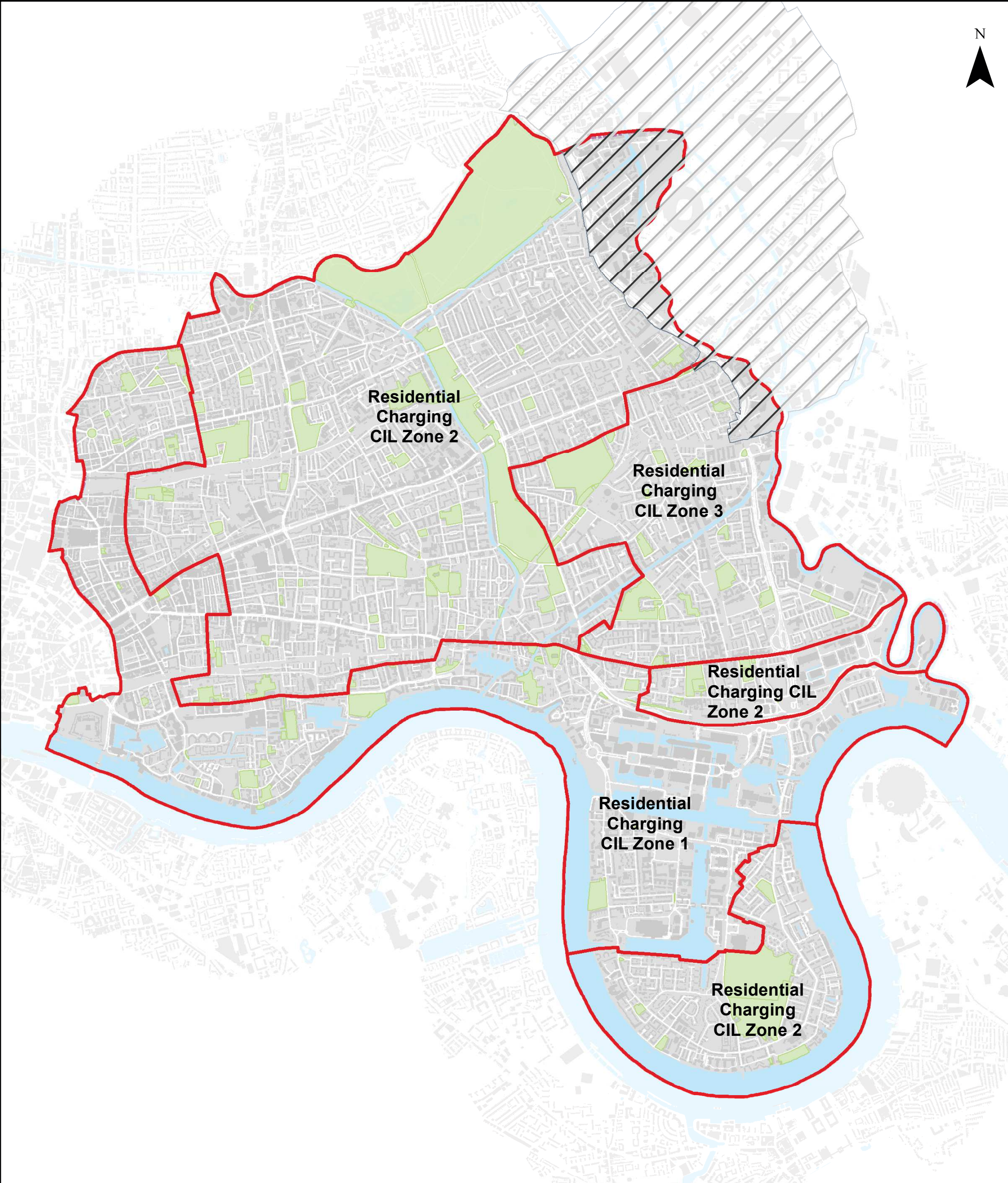
Appendix 1: Office & Retail (except Convenience Supermarkets, Superstores and Retail Warehousing) Charging Zones



- Office & Retail (except Convenience Supermarkets, Superstores and Retail Warehousing) Charging Zones
- Ordnance Survey Grid (*Labels represent grid reference*)
- London Legacy Development Corporation Area



Date: 08/01/2015





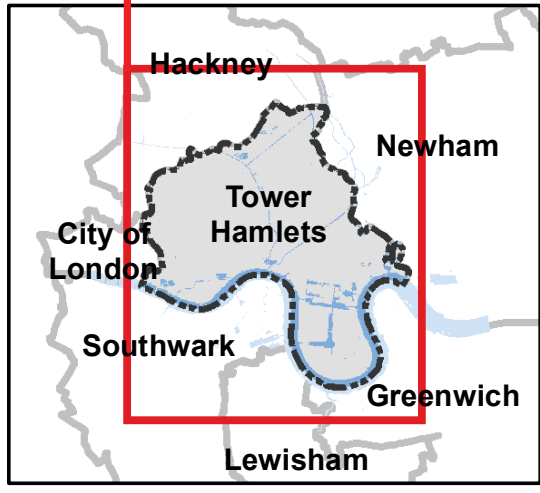
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Proposed new CIL Residential Charging Zone Boundaries

 LLDC Boundaries
 Proposed CIL Boundaries

Scale @ 1:33,523
 490 245 0 490 980 1,470 Meters


 GIS for Place Directorate
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 LONDON BOROUGH OF TOWER HAMLETS
 Date: 20/10/2017



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Community Infrastructure Levy Review

Prepared for
London Borough of Tower Hamlets

September 2017

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Appendices

- Appendix 1 - Residential appraisal results (Affordable Rent, Tower Hamlets Living Rent, London Living Rent and Shared Ownership) at base costs and values
- Appendix 2 - Residential appraisal results (Affordable Rent, Tower Hamlets Living Rent and Shared Ownership) at base costs and values
- Appendix 3 - Residential appraisal results (Affordable Rent, Tower Hamlets Living Rent, London Living Rent and London Living Rent) at base costs and values
- Appendix 4 - Residential appraisal results (Affordable Rent, Tower Hamlets Living Rent, London Living Rent and Shared Ownership) at +10% sales values and +5% build costs
- Appendix 5 - Residential appraisal results (Affordable Rent, Tower Hamlets Living Rent, London Living Rent and Shared Ownership) at -5% sales values
- Appendix 6 - Commercial appraisal results
- Appendix 7 - Strategic sites testing results
- Appendix 8 - Proposed CIL Maps

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1 Executive Summary

- 1.1 This report reviews the Community Infrastructure Levy (“CIL”) rates in the London Borough of Tower Hamlets’ (“the Council”) Charging Schedule, adopted on 25 February 2015 and implemented on 1 April 2015. Levels of CIL have been tested in combination with the cumulative impact of the requirements of the emerging Tower Hamlets Draft Local Plan (June 2016) (“THDLP”). This is in line with the requirements of the National Planning Policy Framework (“NPPF”) and the Local Housing Delivery Group guidance ‘Viability Testing Emerging Local Plans: Advice for planning practitioners’ (June 2012). The report builds upon the Local Plan Viability testing update undertaken on behalf of the Council by BNP Paribas Real Estate in June 2017.

Methodology

- 1.2 The study methodology compares the residual land values of a range of development typologies on sites throughout the borough to their value in current use (plus a premium), herein after referred to as ‘benchmark land value’. If a development incorporating the Council’s policy requirements including a given level of CIL generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable and deliverable. Following the adoption of policies, developers will need to reflect policy requirements in their bids for sites, providing that the residual land value does not fall below a site-specific benchmark land value, determined at the time of each individual application.
- 1.3 The study utilises the residual land value method of calculating the value of each development typology. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements, Section 106 contributions, CIL¹ and developer’s profit). The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.
- 1.4 The housing and commercial property markets are inherently cyclical and the Council is testing its proposed THDLP policies at a time when there is a degree of uncertainty due to the result of the EU Referendum. Notwithstanding this, residential values in Tower Hamlets have recovered strongly following the severe recession and now exceed the April 2008 peak levels by over 50%.² Forecasts for future house price growth indicate continuing growth in the ‘mainstream’ UK and East England markets. We have allowed for this by running a sensitivity analysis which varies the base sales values and build costs, with values increasing by 10% and costs by 5%. This analysis is indicative only, but is intended to assist the Council in understanding the ability of developments to absorb its requirements both in today’s terms but also in the future. We have also tested a fall in sales values of 5%, to enable the Council to take a view on the impact of any adverse movements in sales values in the short term.
- 1.5 The viability analysis in this study provides a high level understanding of the viability of potential development sites in the context of the cumulative impact of the Council’s emerging planning policies. It should be noted that some sites may require more detailed site and scheme specific viability analysis when they come forward through the development management process.

¹ Mayoral and Borough CIL indexed as appropriate.

² As identified from the Land Registry’s online House Price Index database (<http://www.landregistry.gov.uk/public/house-prices-and-sales/search-the-index>)

Key findings

1.6 The key findings of the study are as follows:

- The results of this study are reflective of current market conditions, which will inevitably change over the medium term. It is therefore important that the Council keeps the viability situation under review so that policy requirements can be adjusted should conditions change markedly. Since the 2013 Viability Study was completed, there has been an improvement in sales values, which has been partially offset by an increase in build costs. The net result is a degree of improvement in viability and increased capacity to contribute towards local infrastructure.
- As was the case in the 2013 Viability Study, some schemes tested were unviable due to market factors, rather than the impact of the Council's policy requirements. These schemes will not come forward until changes in site specific market conditions and their current unviable status should not be taken as an indication that the Council's requirements cannot be accommodated on other schemes. It reflects the increasing viability of commercial development, with some existing forms of commercial generated higher values than residential development, reducing pressure for commercial buildings to be redeveloped for alternative (residential) use.

Residential

- In most cases, schemes can accommodate the Council's affordable housing requirement at a level of circa 35%, with the capacity to make CIL payments increasing with lower affordable housing proportions.
- Our appraisals indicate that the Council's currently adopted rates of CIL could increase without adversely impacting on viability of developments. The currently adopted and suggested CIL rates are summarised in Table 1.6.1.

Table 1.6.1 Table showing adopted and suggested residential CIL rates

Area	Existing Borough CIL charge Borough (£s per sq m) (indexed charge)	Suggested Borough CIL after buffer (£s per sq m)
CIL Z1	£200 (£211.58)	£280
CIL Z2	£65 (£68.76)	£180
CIL Z3	£35 (£37.03)	£85

Commercial

- In the City Fringe and North Docklands, rents for both offices and retail developments have increased and our appraisals indicate that these uses will be able to absorb a CIL rate of £100 per sq m.
- Viability of retail and office markets outside the City Fringe and North Docklands have not changed sufficiently to warrant any changes to the adopted rates.
- Rents and yields of supermarkets and retail warehouses have improved since the adoption of the Charging schedule and appraisal identify that such uses should be able to support an increased CIL charge of £130 per sq m.
- Industrial and warehousing have seen increases in rents and a reduction in yields, partly as a result of a lack of available supply, however our appraisals identify that this does not generate a surplus above the benchmark land values and in this regard we recommend the Council maintains its existing nil charge on such uses.

- Market conditions for student housing and hotels have not changed significantly since the adoption of the Charging Schedule and we recommend no changes to the rates for these uses.
- The currently adopted and suggested CIL rates are summarised in Table 1.6.2.

Table 1.6.2 Table showing adopted and suggested Commercial CIL rates

Use and Location	Existing Borough CIL charge Borough (£s per sq m) (indexed charge)	Potential Borough CIL after buffer (£s per sq m)
Office in City Fringe	£90 (<i>indexed - £95.21</i>)	£100
Office in North Docklands	Nil	£100
Retail in City Fringe and North Docklands	£70 (<i>indexed - £74.05</i>)	£100
Supermarkets and retail warehouses	£120 (<i>indexed - £126.95</i>)	£130

Strategic Sites

- Our assessment of the identified strategic sites has concluded that the majority of the sites can viably support the Borough's proposed CIL. With regard to the sites identified as being unviable we note that CIL does not have a significant impact in that the sites are deliverable with between 30% - 35% affordable housing or at a level previously identified in the Local Plan Viability testing as being viable.
- On the two gasworks sites identified as having the most challenging viability, we would highlight that CIL is not the determining factor making the sites unviable, i.e. adopting a nil CIL rate on these sites would not result in the developments generating residual land values above the identified benchmark land value.
- To demonstrate this position we have undertaken an assessment of the proposed Borough CIL liability calculated for each of the strategic sites and compared this to the total development costs. This has identified that the proposed CIL rates result in a liability that is no more than 5% of development costs. In fact, in the three schemes where viability is identified as being most challenging, CIL amounts to no more than 1.42% of development costs. Further, on the schemes identified as being unviable at 35% affordable housing CIL is no more than 3.62% of development costs (see Table 7.18.1).
- In light of our findings we recommend that the Council considers maintaining the proposed CIL rates across the Borough and to Strategic Sites as they are not deemed to be of a sufficient magnitude that is likely to threaten the development of the strategic sites and as a result the "*delivery of the relevant Plan as a whole*" (NPPF paragraph 173 and NPPG Paragraph: 038 Reference ID: 25-038-20140612). Further, we consider that the proposed approach "*strike(s) an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across (the Council's) area.*" (NPPG Paragraph 008 Reference ID: 25-008-20140612).

1.7 We summarise in Table 1.7.1 overleaf the suggested updated CIL charging schedule rates.

Table 1.7.1: Suggested rates for LB Tower Hamlets' Updated CIL Charging Schedule

Development Type	Suggested CIL Rate per sq m (GIA) of Development		
	Zone 1	Zone 2	Zone 3
Residential	£280	£180	£85
Offices and Retail (Except Convenience Supermarkets/ Superstores and Retail Warehousing)	City Fringe & North Docklands		Rest of Borough
	£100		Nil
Convenience Supermarkets/ Superstores and Retail Warehousing	Borough Wide		
	£130		
Hotel	£190		
Student Housing Let at Market Rents	£450		
Student Housing Let at Below Market Rents	Nil		
All other uses	Nil		

1.8 The application of CIL is unlikely to be an overriding factor in determining whether a developer brings forward a site or whether not a scheme is viable.

- For residential development, when considered in context of total scheme value, the recommended CIL rates will be a modest amount, typically accounting for between 1.46% and 3% of scheme costs. It is worth noting that some schemes would be unviable even if a zero CIL were adopted. We therefore recommend that the Council pays limited regard to these schemes as they are unlikely to come forward unless there are significant changes to main appraisal inputs.
- With respect to commercial schemes, as identified in section 8 of this study the proposed CIL is a marginal factor in a scheme's viability i.e. between 1.45% and 3.13% of total development costs in terms of the uses where increases are proposed.
- In the case of the Strategic Sites, the increased CIL charges amount to no more than 5% of development costs i.e. between 0.31% and 4.39%, with the majority being below 2.5%.

2 Introduction

- 2.1 The Council has commissioned this study to contribute towards a review of its adopted CIL Charging Schedule, which has been in place since 1 April 2015. The evidence base that underpinned that adopted CIL Charging Schedule was compiled in late 2012 early 2013 and there had been a significant movement in sales values before adoption. The aim of the study is therefore to identify changes in viability that might give rise to amendments to the adopted CIL Charging Schedule. In line with the viability evidence supporting the adopted CIL Charging Schedule, this report tests the cumulative impact of planning policies to determine whether there is scope for CIL rates to change.
- 2.2 In terms of methodology, we adopted standard residual valuation approaches to test the viability of nine development typologies and 14 strategic sites, including the impact on viability of the Council's planning policies alongside the adopted levels of CIL and alternative amounts of CIL. However, due to the extent and range of financial variables involved in residual valuations, they can only ever serve as a guide. Individual site characteristics (which are unique), mean that conclusions must always be tempered by a level of flexibility in application of policy requirements on a site by site basis.
- 2.3 In light of the above we would highlight that the purpose of this viability study is to assist the Council in understanding changes to the capacity of schemes to absorb CIL and to support any proposed changes to Charging Schedule through Examination in Public. The Study therefore provides an evidence base to show that the requirements set out within the NPPF, CIL Regulations and National Planning Practice Guidance are met. The key underlying principle is that charging authorities should use evidence to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across their area.
- 2.4 As an area wide study this assessment makes overall judgements as to viability within the London Borough of Tower Hamlets and does not account for individual site circumstances. The assessment should not be relied upon for individual site applications. Notwithstanding this, we note that some judgement has been made within this study with regard to the individual characteristics of the strategic sites tested. However the schemes tested on these sites are based on assessments of likely development capacity on the sites by the Council and in this regard they may differ from actual planning applications that will come forward on these sites and scheme specific testing may still be required at the point where they come forward.
- 2.5 This position is recognised within Section 2 of the Local Housing Delivery Group guidance, which identifies the purpose and role of viability assessments within plan-making. This identifies that: *"The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period. No assessment could realistically provide this level of detail. Some site-specific tests are still likely to be required at the development management stage. Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan."*

Economic and housing market context

- 2.6 The housing and commercial property markets are inherently cyclical. The downwards adjustment in house prices in 2008/9 was followed by a prolonged period of real house price growth. By 2010 improved consumer confidence fed through into more positive interest from potential house purchasers. However, this brief resurgence abated with figures falling and then fluctuating in 2011 and 2012. The improvement in the housing market towards the end of 2012 continued through into 2013 at which point the growth in sales values improved significantly through to the last quarter of 2014, where the pace of the improvement was seen to moderate and continued to do so in 2015. The UK economy sustained momentum following the result of the UK's referendum on its membership of the European Union (EU),

and as a result the UK housing market surprised many in 2016. The average house price rose 4.5%, which was 0.2% lower than our forecast and ahead of the level recorded in 2015. While first time buyer numbers continued to recover in 2016, overall transaction levels slowed as some home movers and investors withdrew from the market.

- 2.7 The referendum held on 23 June 2016 on the UK's membership of the EU resulted in a small majority in favour of exit. The immediate aftermath of the result of the vote was a fall in the Pound Sterling to a 31 year low and stocks overselling due to the earnings of the FTSE being largely in US Dollars. As the Pound dropped significantly this supported the stock market, which has since recouped all of the losses seen and is near the all-time highs. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. In March 2017, the Sterling Exchange Rate Index fell a further 1.5% from the end of February and was 10.5% lower compared with the end of March 2016. However in other areas there are tentative signs of improvement and resilience in the market. For example, the International Monetary Fund revised its forecast for UK growth in 2016 on 4 October 2016 from 1.7% to 1.8%, thereby partly reversing the cut it made to the forecast shortly after the referendum (1.9% to 1.7%). However it further trimmed its 2017 forecast from 1.3% to 1.1%, which stood at 2.2% prior to the Referendum.
- 2.8 The UK's first official growth figures following the referendum result vote exceeded initial estimates. Growth for Q3 according to the ONS figures was 0.5%, higher than analyst's predictions of 0.3%. The ONS highlighted that "*the pattern of growth continues to be broadly unaffected following the EU referendum*". Initial expectations were that the better than expected GDP figures would deter the Bank of England Monetary Policy Committee from going ahead with any further or planned interest rate cuts. The Economy slowed slightly from the Q2 figure of 0.7% and the pattern was a slightly unbalanced one with services being the only sector continuing to grow, achieving a rate of 0.8%. The Chancellor, Phillip Hammond, noted at the time that "*the fundamentals of the UK economy are strong and today's data show that the economy is resilient*". Production increased by 1.6% in the 3 months to February 2017 and manufacturing increased by 2.2% over the same period. Notwithstanding this the ONS indicate that "*manufacturing is dependent upon both domestic and overseas demand for UK produced goods. Changes in output will reflect both domestic demand and how UK trade is faring post-referendum*"; especially as Article 50 has now been triggered and the negotiation process to leave the EU is underway. Data from the construction sector indicated that the quarterly movement shows a growth of 1.5% in output, which the ONS state "*may act as an indicator of how confident enterprises are in investing in buildings and the infrastructure as longer term assets*".
- 2.9 It was further expected that manufacturing would be bolstered by the fall in the value of the pound; however this failed to materialise. We note however that ONS Head of GDP Darren Morgan stated that "*the economy grew slightly more in the last three months of 2016 than previously thought, mainly due to a stronger performance from manufacturing*".
- 2.10 Overall the figures from Q4 2016 and Q1 2017 were better than expected; however experts warned that forecasts for the remainder of 2017 would be lower, as Britain began the formal process of exiting the EU through triggering Article 50. This has been realised as Bank of England's May 2017 Inflation report identifies that "*GDP growth has slowed, in part reflecting the impact of lower real income growth on household consumption.*" Further, the report highlights that "*the outlook for UK growth will continue to be influenced by the response of households, companies and financial market participants to the prospect of the United Kingdom's departure from the European Union, including their assumptions about the nature and timing of post-Brexit trading arrangements*".
- 2.11 The Bank of England's August 2017 Inflation report saw a reduction in the Bank's prediction for economic growth for 2017 to 1.9% from 2%, a small increase in the 2018 forecast from 1.6% to 1.7% and a slight increase again in 2019 to 1.8%. The revisions continue to reflect the fact that the Bank considers the impact of any potential exit from the EU will be experienced later than expected.

- 2.12 We note that in their 4 August 2017 “Brexit Watch: Investment to shake off recent weakness” note Capital Economics reported that despite “*Much of the focus of the press conference following the Bank of England’s August policy decision and Inflation Report was on the contribution of Brexit to the downgrade of its near term growth forecast. A closer look at the forecasts reveals that it was actually stronger imports which account for the majority of the revision, as opposed to weaker business investment.*” In this regard, they consider that, the downgrade to the 2017 GDP forecast “*was driven by the expected contribution from net trade being lowered by 0.3pp, and from business investment by 0.1pp. Meanwhile, the adjustment to 2018 growth, now expected to be 1.7% as opposed to 1.8%, was due to consumption and investment being nudged down.*”
- 2.13 They go on to identify that, “*Despite accounting for only a small share of the revision to the forecast, business investment attracted a lot attention. Admittedly, investment has clearly been hit by uncertainty around post-Brexit trading arrangements. In 2016 fixed investment contributed just 0.1ppts to annual GDP growth compared to an average of 0.6ppts over the five years prior. The weak showing is particularly concerning given that capital deepening is an important driver of productivity, which is a major determinant of the long-run potential growth rate of the economy.*”
- 2.14 The update note also highlights that the UK’s productivity performance is already poor. “*Since the crisis annual labour productivity (GDP per hour worked) growth has been 0.6% compared to a G7 average of 0.9%. Much of this shortfall has been attributed to weak investment. Notwithstanding this position, they consider that there is scope for investment growth to accelerate.*” They state that, “*while business investment dipped in 2016, it returned to growth in Q1, and surveys of investment intentions point to the recovery continuing to gather pace. Indeed, business investment has held up better than the Bank initially feared, reflected by the upward revision to its forecast since last summer.*” They go on to set out that they consider there to be “*more fundamental reasons to believe that investment will continue to recover. The weaker pound has boosted exporters’ margins and returns, while the economy is approaching capacity, giving firms both the opportunity and incentive to invest. Admittedly, Brexit uncertainty will keep longer-term projects on hold for a while yet. But as the UK’s future relationship with the EU becomes clearer, investment growth is likely to rebound faster than the Bank expects.*”
- 2.15 BNP Paribas Real Estate’s UK Housing Market Report Spring 2017 forecasted “*a less positive 12 months is likely ahead*”. In this report we note that “*the weakening of real incomes will add to already challenging affordability issues in the housing market, both for first-time buyers and home movers. In addition, a buildup of uncertainty resulting from the on-going news cycle of political events is likely to take its toll on confidence and the propensity to take on a major financial commitment. RICS surveyors forecast a modest recovery in activity over the coming months, although still very subdued by historic standards. This will protect residential values to an extent, although we believe it inevitable that growth will be more subdued than in recent years. In 2017, we expect the average UK house price to rise by 2.2%, half that seen in 2016*”.
- 2.16 ONS have highlighted that “*the median UK household disposable income was £26,300 in the financial year ending 2016; this was £600 higher than the previous year and £1,000 higher than the pre-downturn value of £25,400 in 2007/2008*”. Despite this, the economic downturn has had an effect on non-retired households, with median incomes in 2015/2016 still 1.26% lower than pre-downturn levels in 2007/2008. Although household incomes are slightly above their pre-downturn peak overall, not everyone is better off. Claudia Wells (Head of Household and Income and Expenditure Analysis) states that “*while retired households’ incomes have soared in recent years, non-retired households still have less money, on average, than before the crash*”. While median income for the majority of households have recovered to pre-economic downturn levels, the ONS indicate that “*income for the richest fifth of households has fallen by £1,900 (3.4%) in real terms*”. This has been predominantly due to a fall in average income from employment (including self-employment) for this group following the economic downturn. This has a negative effect on the economy, as this slow increase in average household income, has affected consumer spending and increased

borrowing and personal debt overtime.

- 2.17 Further, stamp duty changes when purchasing residential property from 4 December 2014, has also had an effect on the housing market, as it encourages first time buyers, who predominantly purchase lower priced properties, to pay lower stamp duty rates: up to £125,000 (0%), up to £250,000 (2%); and discourages wealthier families to buy property who have the capital to buy a £1,000,000 but now have to pay 10% stamp duty rates, which will significantly impede their budgets and affordability. However, for overseas investors, the post-EU referendum fall in sterling has offset the impact of higher Stamp Duty to a large extent.
- 2.18 The July Halifax House Price Index Report identifies that overall prices in the three months to June were 0.1% lower than in the preceding quarter. The annual rate of growth fell to 2.6%, the lowest rate since May 2013. Martin Ellis, the Halifax housing economist comments that, *“Although employment levels continue to rise, household finances face increasing pressure as consumer prices grow faster than wages. This, combined the new stamp duty on buy to let and second homes in 2016, appears to have weakened housing demand in recent months.”*
- 2.19 Nationwide’s June House Price Index Report contrasted this position by reporting a modest annual house price growth rising to 3.1% from 2.1% in May, stating that, *“after two sluggish months, annual price growth has returned to the 3-6% range that had been prevailing since early 2015.”* Notwithstanding this, Robert Gardiner, Nationwide’s Chief Economist, shares the view that, *“The emerging squeeze on household incomes appears to be exerting a drag on housing market activity in recent months. The number of mortgages approved for house purchase has slowed a little in recent months and surveyors report that new buyer enquiries have softened.”* As a result a key query raised in the report is that at present it is uncertain whether the reported increase in house price growth reflects *“the strengthening demand conditions on the back of healthy gains in employment and continued low mortgage rates, or whether the lack of homes on the market is the more important factor.”* Whilst Nationwide’s survey data suggests that *“new buyer enquiries have softened, it also indicates that this has been matched by a decline in new instructions”*.
- 2.20 Nationwide considers that *“given the on-going uncertainties around the UK’s future trading arrangements, the economic outlook remains unusually uncertain, and housing market trends will depend crucially on developments in the wider economy. Nevertheless, in our view, household spending is likely to slow in the quarters ahead, along with the wider economy, as rising inflation squeezes household budgets. This, together with on-going housing affordability pressures in key parts of the country, is likely to exert a drag on housing market activity and house price growth in the quarters ahead.”*
- 2.21 Nationwide conclude that, *“the subdued level of building activity and the shortage of properties on the market are likely to provide support for prices. As a result, we continue to believe that a small increase in house prices of around 2% is likely over the course of 2017 as a whole.”*

Local housing market context

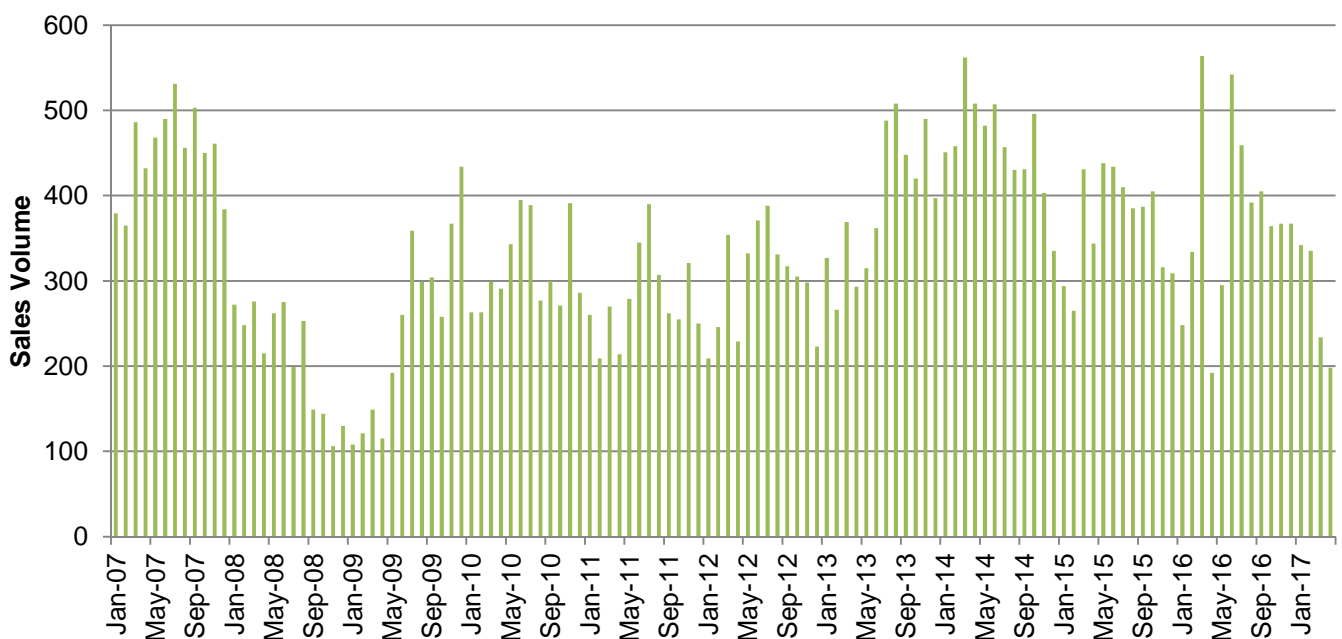
- 2.22 According to Land Registry as of August 2009, values had fallen in Tower Hamlets by circa 25% from the April 2008 peak of the market values. Subsequently values recovered steadily to April 2010, from which point values fluctuated within a 7% range until May 2013. From May 2013 average values have been seen to increase at a more rapid rate exceeding the April 2008 peak of the market value in October 2013. As of June 2017 residential sales values in Tower Hamlets were circa 47% higher than the April 2008 peak of the market values.

2.23 Tower Hamlets has seen very strong growth in sales values across the borough, where values have been seen to almost double since BNP Paribas Real Estate prepared the Council's previous CIL viability evidence. Growth in values has resulted from a significant number of development schemes coming forward, regenerating the borough. Values in the city fringe, along the Thames and in Canary Wharf area also seen significant increases with a number of schemes achieving sales values in excess of £1,200 per sq ft. These areas are now considered part of the central London 'prime market'. Growth in values in these areas has resulted in part from active interest from domestic and overseas investors.

Figure 2.23.1: Average house prices in Tower Hamlets



Figure 2.23.2: Sales volumes in Tower Hamlets



Source: Land Registry

- 2.24 The future trajectory of house prices is currently uncertain, although BNP Paribas Real Estate, Knight Frank and Savills currently forecast growth in house prices over the next four/five years. They identify that the Mainstream London market will grow by 11% to 12.5% over the period between 2017 to 2021 inclusive, whilst the Prime Central London East/Prime Central London markets will grow by 15.9% to 21%. This is compared to a UK average of 13% to 14.2% cumulative growth over the same period.

Table 2.24.1: House price forecasts for prime and mainstream London markets and the UK market as a whole

London Markets	2017	2018	2019	2020	2021	Cumulative growth
Prime Central London – Savills (August 2017 – first published Nov 2016)	0.0%	0.0%	8.0%	5.0%	6.5%	21%
Prime Central London East - Knight Frank (May 2017)	1.0%	3.5%	3.0%	3.5%	4.0%	15.9%
London - BNP Paribas Real Estate (April 2017)	3.69%	1.27%	0.31%	1.74%	N/A	
Mainstream London – Savills (August 2017 – first published Nov 2016)	0.0%	3.0%	4.5%	2.0%	1.0%	11%
Mainstream London - Knight Frank (May 2017)	-1.0%	2.0%	2.5%	3.0%	5.5%	12.5%
UK - BNP Paribas Real Estate (April 2017)	2.16%	1.05%	2.48%	4.11%	N/A	
UK – Savills (August 2017 – first published Nov 2016)	0.0%	2.0%	5.5%	3.0%	2.0%	13.0%
UK - Knight Frank (May 2017)	1.0%	2.5%	3.0%	3.0%	4.0%	14.2%

National Policy Context

The NPPF

- 2.25 The NPPF sets out the government’s planning policies including its preferred approach to meeting housing and employment requirements. The NPPF has subsequently been supplemented by the National Planning Practice Guidance (“NPPG”).
- 2.26 The NPPF provides more in-depth guidance on viability of development than Planning Policy Statement 3, which limited its attention to requiring local planning authorities to test the viability of their affordable housing targets. The NPPF requires that local planning authorities have regard to the impact on viability of the cumulative effect of all their planning requirements on viability. Paragraph 173 of the NPPF requires that local planning authorities give careful attention “to viability and costs in plan-making and decision-taking”. The NPPF requires that “the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened”. After taking account of policy requirements, land values should be sufficient to “provide competitive returns to a willing landowner and willing developer”.
- 2.27 The meaning of a “competitive return” has been the subject of considerable debate over the past few years. For the purposes of testing the viability of a local plan, the Local Housing Delivery Group³ concluded that the current use value of a site (or a credible alternative use value) plus an appropriate uplift, represents a competitive return to a landowner. Some members of the RICS consider that a competitive return is determined by market value⁴, although there is no consensus around this view.

³ Viability Testing Local Plans: Advice for planning practitioners, June 2012

⁴ RICS Guidance Note: Financial Viability in Planning, August 2012

CIL Policy Context

- 2.28 As of April 2015 (or the adoption of a CIL Charging Schedule by a charging authority, whichever was the sooner), the S106/planning obligations system' i.e. the use of 'pooled' S106 obligations, was limited to a maximum of five S106 agreements. The adoption of a CIL charging schedule is discretionary for a charging authority; however, the scaling back of the use of pooled S106 obligations is not discretionary. As such, should the Council elect not to adopt a CIL Charging Schedule, it may have implications with regard to funding infrastructure in the District in future and the Council will need to be aware of such implications in their decision-making.
- 2.29 It is worth noting that some site specific S106 obligations remain available for negotiation, however these are restricted to site specific mitigation that meet the three tests set out at CIL Regulation 122 and to the provision of affordable housing. They cannot be used for securing payments towards infrastructure⁵ that benefit more than one development, unless they form part of a maximum of five S106 agreements, from which contributions to provide infrastructure can be pooled.
- 2.30 The CIL regulations state that in setting a charge, local authorities must strike "an appropriate balance" between revenue maximisation on the one hand and the potentially adverse impact upon the viability of development on the other. The regulations also state that local authorities should take account of other sources of available funding for infrastructure when setting CIL rates. This report deals with viability only and does not consider other sources of funding (this is considered elsewhere within the Council's evidence base).
- 2.31 Local authorities must consult relevant stakeholders on the nature and amount of any proposed CIL at two stages; after publication of the Preliminary Draft Charging Schedule ("PDCS") and the Draft Charging Schedule ("DCS"). Following consultation, a charging schedule must be submitted for independent examination.
- 2.32 The payment of CIL becomes mandatory on all new buildings and extensions to buildings with a gross internal floorspace over 100 square metres once a charging schedule has been adopted. The CIL regulations allow a number of reliefs and exemptions from CIL. Firstly, affordable housing and buildings with other charitable uses (if a material interest in the land is owned by the charity and the development is to be used wholly or mainly for its charitable purpose) are subject to relief. Secondly, local authorities may, if they choose, elect to offer an exemption on proven viability grounds. A local authority wishing to offer exceptional circumstances relief in its area must first give notice publicly of its intention to do so. The local authority can then consider claims for relief on chargeable developments from landowners on a case by case basis. In each case, an independent expert with suitable qualifications and experience must be appointed by the claimant with the agreement of the local authority to assess whether paying the full CIL charge would have an unacceptable impact on the development's economic viability.
- 2.33 The exemption would be available for 12 months, after which time viability of the scheme concerned would need to be reviewed. To be eligible for exemption, regulation 55 states that the Applicant must enter into a Section 106 agreement; and that the Authority must be satisfied that granting relief would not constitute state aid. It should be noted however that CIL cannot simply be negotiated away or the local authority decide not to charge CIL.
- 2.34 CIL Regulation 40 includes a vacancy period test for calculating CIL liability so that vacant floorspace can be offset in certain circumstances. That is where a building that contains a part which has not been in lawful use for a continuous period of at least six months within the last three years, ending on the day planning permission first permits the chargeable development, the floorspace may not be offset.

⁵ This infrastructure should not be identified on the Council's Regulation 123 list.

- 2.35 The CIL regulations enable local authorities to set differential rates (including zero rates) for different zones within which development would take place and also for different types of development. The CIL Guidance set out in the NPPG (paragraph 022 Reference ID: 25-022-20140612) clarifies that CIL Regulation 13 permits charging authorities to levy “*differential rates by reference to different intended uses of development.*” Charging Authorities taking this approach need to ensure that such different rates are justified by a comparative assessment of the economic viability of those categories of development. Further the NPPG clarifies that the definition of “use” for this purpose is not tied to the classes of development in the Town and Country Planning Act (Use Classes) Order 1987, although that Order does provide a useful reference point.’ The NPPG also sets out (paragraph 023 Reference ID: 25-023-20140612) that charging authorities may also set differential rates in relation to, scale of development i.e. by reference to either floor area or the number of units or dwellings.
- 2.36 The 2010 CIL regulations set out clear timescales for payment of CIL, which are varied according to the size of the payment, which by implication is linked to the size of the scheme. The 2011 amendments to the regulations allowed charging authorities to set their own timescales for the payment of CIL if they choose to do so. This is an important issue that the Council will need to consider, as the timing of payment of CIL can have an impact on an Applicant’s cashflow (the earlier the payment of CIL, the more interest the Applicant will bear before the development is completed and sold).
- 2.37 The Government published the findings of the independent CIL review alongside the Housing White Paper in February 2017. The White Paper identified at paragraph 2.28 that the Government “*continue to support the existing principle that developers are required to mitigate the impacts of development in their area, in order to make it acceptable to the local community and pay for the cumulative impacts of development on the infrastructure of their area.*” The White Paper summarised the main finding of the CIL review to be that “*the current system is not as fast, simple, certain or transparent as originally intended.*”
- 2.38 As a result the Government committed to “*examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, and will respond to the independent review and make an announcement at Autumn Budget 2017.*” At this stage there is no further information as to whether the Government will implement the independent CIL review panel’s recommendations for reform to the approach of calculating and securing developer contributions towards infrastructure required to support development and if so what the transition period will be.

Mayoral CIL

- 2.39 Tower Hamlets falls within Mayoral CIL Zone 2, where based on the currently adopted Charging Schedule a CIL of £35 per square metre (un-indexed) is levied. In addition, the Crossrail and Mayoral CIL SPG⁶ identifies that in particular locations, where appropriate, the Mayor could negotiate Section 106 contributions over and above the Mayoral CIL towards Crossrail, dependent on the size and impact of the development and viability issues.
- 2.40 Accordingly this study takes full account of Mayoral CIL indexed as appropriate to 2016 values, based on the All in Tender Price Index as required by the CIL Regulations (as amended) and any potential Crossrail top up charge that could be sought by the Mayor as a cost to development.
- 2.41 We note that the Mayor published the Mayor of London Community Infrastructure Levy 2 Preliminary Draft Charging Schedule (MCIL2 PDCS) on 26 June 2017 for consultation until 7 August 2017. The Mayor intends that from April 2019 MCIL2 will supersede the current Mayor’s CIL (MCIL1) and the associated planning obligation/S106 charge scheme applicable in central London and the northern part of the Isle of Dogs. MCIL1 and the S106 scheme are being used to contribute to funding for Crossrail. MCIL2 will be used to contribute to funding

⁶ The London Plan Supplementary Planning Guidance on ‘Use of planning obligations and Mayoral Community Infrastructure Levy’ (March 2016) (“Mayoral CIL and S106 SPG”)

for Crossrail 2. In light of this, this study also takes into consideration the implications of the proposed increased cost associated with the MCIL2.

Tower Hamlets CIL

- 2.42 Tower Hamlets adopted its CIL Charging Schedule on 25 February 2015 and it came into effect on 1 April 2015. Table 2.42.1 below summarises the rates of CIL charged (un-indexed).

Table 2.42.1: CIL rates in the adopted Charging Schedule

Development Type	Proposed CIL Rate Per sq m (GIA) of Development			
	Zone 1	Zone 2	Zone 3	Large Allocated Sites
Residential	£200	£65	£35	Nil
Offices	City Fringe	North Docklands	Rest of Borough	Large Allocated Sites
	£90	Nil	Nil	Nil
Retail (Except Convenience Supermarkets/ Superstores and Retail Warehousing)	£70	£70	Nil	Nil
Convenience Supermarkets/ Superstores and Retail Warehousing	Borough Wide, Except Large Allocated Sites			Large Allocated Sites
	£120			Nil
Hotel	£180			Nil
Student Housing Let at Market Rents	£425			Nil
Student Housing Let at Below Market Rents	Nil			Nil
All other uses	Borough Wide			
	Nil			

Local Policy context

- 2.43 The study takes into account the emerging policies and standards set out in the Tower Hamlets Local Plan 2031, Managing growth and sharing the benefits, Regulation 19 Consultation document to be published in October 2017 (“THDLP”). These include *inter alia* affordable housing requirements; sustainability and developer contributions towards infrastructure. There are numerous policy requirements that are now embedded in base build costs for schemes (i.e. secure by design, landscaping, amenity space, internal space standards etc.).
- 2.44 We set out a summary of the policies identified as having cost implications for developments below:

- Policy D.SG5 – Developer contributions (sets out that requirements may include S106 agreements to make provisions to mitigate the impacts of the development and CIL and the Council’s approach to the Vacant Building Credit (“VBC”))
- Strategic Policy S.H1 – (sets out the strategic affordable housing target of 50% and identifies the minimum requirement for 35%-affordable homes on sites providing net additional residential units (subject to viability);
- Policy D.H2 - (requires the delivery of affordable housing in a 70% Rent and 30% Intermediate tenure split). It also requires developments for estate regeneration to protect the existing quantum of affordable homes and provide an uplift in the number of affordable homes.
- Policy D.H3 – Housing Standards and Quality (in particular accessibility requirements in line with the London Plan)
- Policy D.ES5 – Sustainable Drainage (specifies requirements for SUDs and attenuation on development sites).
- Policy D.ES7 – A Zero Carbon Borough (identifies the Council’s aspiration of achieving Zero Carbon development. From 2016 to 2019 a 45% CO2 emissions reduction from the 2013 building regulations is sought and Zero Carbon from 2019-2031 i.e. a minimum of 45% reduction of on-site with the remaining regulated carbon dioxide emissions to 100% to be off-set through a cash in lieu contribution for carbon saving projects elsewhere in the borough.)

Development context

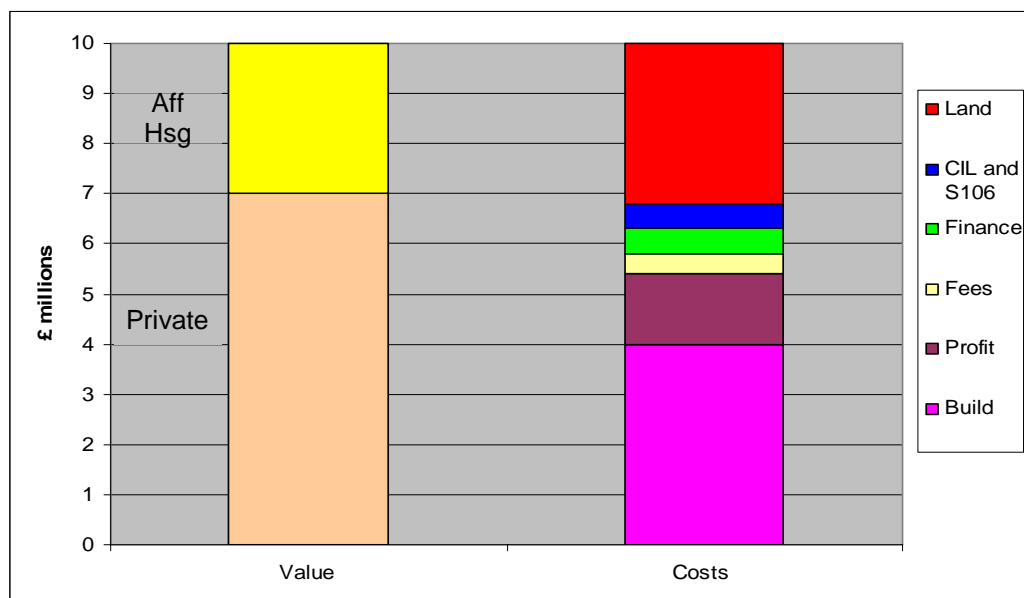
- 2.45 Tower Hamlets is an inner London borough and sits in an important strategic location for London, linking central London with the rest of the Thames Gateway growth corridor. The THDLP identifies that the borough is the second most densely populated in London, and the townscape is evolving with the increase in density. Many areas have undergone significant change and regeneration, with a mix of redevelopment and restoration/adaption/reuse of buildings. In particular there has been a marked increase in the number of tall buildings, particularly residential ones, causing notable changes to the borough’s skyline, with positive and negative implications.
- 2.46 Developments in Tower Hamlets range from small in-fill sites to major regeneration schemes. The City Fringe and Canary Wharf are strategically important employment locations for London and are the location of the headquarters for a large number of multinational businesses so commercial development is important and strong within these key locations within the Borough.
- 2.47 The THDLP identifies that the 2015 Indices of Deprivation (DCLG, 2015) show that while Tower Hamlets has become relatively less deprived, deprivation remains widespread and the Borough also continues to have the highest rates of child and pensioner poverty in England (LBTH, 2016). However the borough also contains a number of wards which are within the least deprived in England. This disparity is reflected in the borough’s pay ratio which is the largest, reflecting the greatest inequality in London (London Poverty Profile, 2015).
- 2.48 Given the above it is unsurprising that there are significant variations in residential sales values between different parts of the Borough, with values in the City Fringe, wards along the River Thames and in Canary Wharf generally being the highest and the areas to the north east of the borough achieving lower values. Notwithstanding this position, values in the entire borough have seen significant growth in the last few years with the construction of new residential dwellings (building starts) in the borough exceeding the other London boroughs and the growth shows little signs of abating.
- 2.49 The THDLP identifies that *‘The London Plan (GLA, 2016) identifies a ten-year minimum housing supply target of 39,314 homes within Tower Hamlets over the period 2015-2025. This is equivalent to a minimum requirement of 3,931 homes per annum. The London Plan does not set out specific housing targets beyond 2025 but expects boroughs to ‘roll forward’ their annual target. The London Plan ten-year target, plus the annual rolled forward target, results in a housing supply target for the borough (2016 – 2031) of 58,965 homes.’*

3 Methodology

- 3.1 Our methodology follows standard development appraisal conventions, using locally-based sites and assumptions that reflect local market circumstances and emerging planning policy requirements. The study is therefore specific to Tower Hamlets and reflects the Council's planning policy requirements.

Approach to testing development viability

- 3.2 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing (the peach portion) and the payment from a Registered Provider ("RP") for the completed affordable housing units (the yellow portion). For a commercial scheme, scheme value equates to the capital value of the rental income after allowing for rent free periods and purchaser's costs. The model then deducts the build costs, fees, interest, Section 106 contributions, CIL and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the red portion of the right hand bar in the diagram.



- 3.3 The Residual Land Value is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value (in excess of existing use value, discussed later), it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.
- 3.4 Problems with key appraisal variables can be summarised as follows:
- Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. In boroughs like Tower Hamlets, the majority of sites will be previously developed. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such costs can be very difficult to anticipate before detailed site surveys are undertaken;
 - Development value and costs will also be significantly affected by assumptions about the nature and type of affordable housing provision and other Planning Obligations. In addition, on major projects, assumptions about development phasing; and infrastructure required to facilitate each phase of the development will affect residual values. Where

the delivery of the obligations are deferred, the less the real cost to the applicant (and the greater the scope for increased affordable housing and other planning obligations). This is because the interest cost is reduced if the costs are incurred later in the development cashflow;

- While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. While profit levels were typically around 15% of completed development value at the peak of the market in 2007, banks currently require schemes to show a profit level that is reflective of current perceived risk. Typically developers and banks have been targeting between 17% to 20% profit on value of the private housing element dependant on the nature of the scheme. However, following the result of the EU referendum and the commencement of negotiations to leave the EU following the triggering of Article 50, the market has started to reflect increased uncertainty through levels of profit at the higher end of this range.

3.5 Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value. The landowner's 'bottom line' will be achieving a residual land value that sufficiently exceeds 'existing use value'⁷ or another appropriate benchmark to make development worthwhile. i.e. provides a "competitive return" (para 173 NPPF). The margin above existing use value may be considerably different on individual sites, where there might be particular reasons why the premium to the landowner should be lower or higher than other sites.

3.6 Clearly, however, landowners have expectations of the value of their land which often exceed the value of the current use. Ultimately, if landowners' expectations are not met, they will not voluntarily sell their land and (unless a Local Authority is prepared to use its compulsory purchase powers) some may simply hold on to their sites, in the hope that policy may change at some future point with reduced requirements. It is within the scope of those expectations that developers have to formulate their offers for sites. The task of formulating an offer for a site is complicated further still during buoyant land markets, where developers have to compete with other developers to secure a site, often speculating on increases in value. However, landowner expectations and speculation on land values need to be balanced against the legitimate needs of communities which will accommodate new development, including the provision of infrastructure to support new residents.

Viability benchmark

3.7 The NPPF is not prescriptive on the type of methodology local planning authorities should use when assessing viability. The National Planning Practice Guidance indicates that the NPPF requirement for a 'competitive return' to the landowner will need to allow for an incentive for the land owner to sell and options may include "*the current use value of the land or its value for a realistic alternative use that complies with planning policy*" (Para 024; reference ID 10-024-20140306).

3.8 The Local Housing Delivery Group published guidance⁸ in June 2012 which provides guidance on testing viability of Local Plan policies. The guidance notes that "*consideration of an appropriate Threshold Land Value [or viability benchmark] needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy*".

⁷ For the purposes of this report, existing use value is defined as the value of the site in its existing use, assuming that it remains in that use. We are not referring to the RICS Valuation Standards definition of 'Existing Use Value'.

⁸ Viability Testing Local Plans: Advice for planning practitioners, Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

- 3.9 In light of the weaknesses in the market value approach, the Local Housing Delivery Group guidance recommends that benchmark land value “*is based on a premium over current use values*” with the “*precise figure that should be used as an appropriate premium above current use value [being] determined locally*”. The guidance considers that this approach “*is in line with reference in the NPPF to take account of a “competitive return” to a willing land owner*”.
- 3.10 The examination on the Mayor of London’s CIL charging schedule considered the issue of an appropriate land value benchmark. The Mayor had adopted existing use value, while certain objectors suggested that ‘Market Value’ was a more appropriate benchmark. The Examiner concluded that:
- “The market value approach... while offering certainty on the price paid for a development site, suffers from being based on prices agreed in an historic policy context.” (Para 8) and that “I don’t believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done” (Para 9).*
- 3.11 In his concluding remark, the Examiner points out that:
- “the price paid for development land may be reduced [so that CIL may be accommodated]. As with profit levels there may be cries that this is unrealistic, but **a reduction in development land value is an inherent part of the CIL concept**. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges. (Para 32 – emphasis added).*
- 3.12 It is important to stress, therefore, that there is no single threshold land value at which land will come forward for development. The decision to bring land forward will depend on the type of owner and, in particular, whether the owner occupies the site or holds it as an asset; the strength of demand for the site’s current use in comparison to others; how offers received compare to the owner’s perception of the value of the site, which in turn is influenced by prices achieved by other sites. Given the lack of a single threshold land value, it is difficult for policy makers to determine the minimum land value that sites should achieve. This will ultimately be a matter of judgement for each planning authority.
- 3.13 Respondents to consultations on planning policy documents in Tower Hamlets and other local planning authorities in and out of London have made various references to the RICS Guidance on ‘Viability in Planning’ and have suggested that councils should run their analysis on market values. This would be an extremely misleading measure against which to test viability, as market values should reflect *existing policies already in place*, and would consequently tell us nothing as to how future (as yet un-adopted) policies might impact on viability. It has been widely accepted elsewhere that market values are inappropriate for testing planning policy requirements.
- 3.14 Notably the GLA recently adopted the Affordable Housing and Viability SPG (August 2017). Paragraph 18 of the SPG clearly states that:
- “The SPG is explicit about the Mayor’s preference for using Existing Use Value Plus as the comparable Benchmark Land Value when assessing the viability of a proposal. The premium above Existing Use Value will be based on site specific justification reflecting the circumstances that apply.”*

- 3.15 Paragraph 3.40 goes on to reiterate the NPPG's position that *"in all cases, land or site value should: reflect policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge"*. Paragraph 3.41 goes on to explain that this is a *"key requirement"* as assuming that the granting of planning permission will increase the value of the site, but not including the costs of meeting planning requirements will result in an overinflated site value, contrary to the NPPG. The SPG goes on to identify in the next paragraph (3.42) that,

"It is for this reason that the Mayor does not consider it appropriate within a development appraisal to apply a fixed land value as an input which is based on price paid for land or a purely aspirational sum sought by a landowner. Land transactions reflect the specific circumstances of the developer whereas planning viability appraisals are typically undertaken on a standardised basis. Reliance on land transactions for sites that are not genuinely comparable or that are based on assumptions of low affordable housing delivery, excess densities or predicted value growth, may lead to inflated site values. This undermines the implementation of Development Plan policies and the ability of planning authorities to deliver sustainable development."

- 3.16 Relying upon historic transactions is a fundamentally flawed approach, as offers for these sites will have been framed in the context of current planning policy requirements, so an exercise using these transactions as a benchmark would tell the Council nothing about the potential for sites to absorb as yet unadopted policies. Various Local Plan inspectors and CIL examiners have accepted the key point that Local Plan policies and CIL will ultimately result in a reduction in land values, so benchmarks must consider a reasonable minimum threshold which landowners will accept. For local authority areas such as Tower Hamlets, the 'bottom line' in terms of land value will be the value of the site in its existing use. This fundamental point is recognised by the RICS at paragraph 3.4.4. of its Guidance Note on "Financial Viability in Planning":

"For a development to be financially viable, any uplift from current use value to residual land value that arises when planning permission is granted should be able to meet the cost of planning obligations while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project (the NPPF refers to this as 'competitive returns' respectively). The return to the landowner will be in the form of a land value in excess of current use value".

- 3.17 The Guidance goes on to state that *"it would be inappropriate to assume an uplift based on set percentages... given the diversity of individual development sites"*.

- 3.18 Commentators also make reference to "market testing" of benchmark land values. This is another variant of the benchmarking advocated by respondents outlined at paragraph 3.13. These respondents advocate using benchmarks that are based on the prices that sites have been bought and sold for. There are significant weaknesses in this approach which none of the respondents who advocate this have addressed. In brief, prices paid for sites are a highly unreliable indicator of their actual value, due to the following reasons:

- Transactions are often based on bids that 'take a view' on squeezing planning policy requirements below target levels. This results in prices paid being too high to allow for policy targets to be met. If these transactions are used to 'market test' CIL rates, the outcome would be unreliable and potentially highly misleading.
- Historic transactions of housing sites are often based on the receipt of grant funding, which is no longer available.
- There would be a need to determine whether the developer who built out the comparator sites actually achieved a profit at the equivalent level to the profit adopted in the viability testing. If the developer achieved a sub-optimal level of profit, then any benchmarking using these transactions would produce unreliable and misleading results.

- Developers often build assumptions of growth in sales values into their appraisals, which provides a higher gross development value than would actually be achieved today. Given that our appraisals are based on current values, using prices paid would result in an inconsistent comparison (i.e. current values against the developer's assumed future values). Using these transactions would produce unreliable and misleading results.
- 3.19 These issues are evident from a recent BNP Paribas Real Estate review of the differences between the value ascribed to developments by applicants and the amounts the sites were purchased for by the same parties. The prices paid exceeded the value of the consented schemes by between 52% and 18,000%.
- 3.20 The GLA's SPG references the 2015 research published by the RICS⁹, which found that the 'market value' approach is not being applied correctly and sets out at page 26 that *"if market value is based on comparable evidence without proper adjustment to reflect policy compliant planning obligations, this introduces a circularity, which encourages developers to overpay for sites and try to recover some or all of the overpayment via reductions in planning obligations"*
- 3.21 For the reasons set out above, the approach of using current use values is a more reliable indicator of viability than using market values or prices paid for sites, as advocated by certain respondents. Our assessment follows this approach, as set out in Section 4.

⁹ RICS Financial Viability Appraisal in Planning Decisions: Theory and Practice. April 2015

4 Appraisal assumptions

Residential development

- 4.1 We have appraised 9 development typologies, reflecting both the range of sales values/capital values and also sizes/types of development and densities of development across the borough. The Council have reviewed historic planning applications and have based the appraisal typologies on a range of actual developments within the borough. These typologies are therefore reflective of developments that have been consented/delivered as well as those expected to come forward in Tower Hamlets in future. Details of the schemes appraised are provided below in tables 4.1.1 and 4.1.2 below.

Table 4.1.1 Development typologies

Typology No.	Number of units	Housing type	Development density units per ha	Net developable area (ha)
1	3	Houses	100	0.03
2	6	Flats	350	0.02
3	10	Flats	235	0.04
4	11	Flats	235	0.05
5	25	Houses and flats	375	0.07
6	50	Flats	380	0.13
7	100	Flats	210	0.48
8	250	Flats	280	0.89
9	400	Flats	630	0.63

Table 4.1.2: Unit Mix (as identified in the SHMAA)

Unit Size	Market	London Living Rent / Intermediate	Social Target Rent / Tower Hamlets Living rent
1 bed	30%	15%	25%
2 bed	50%	40%	30%
3 bed	20%	35%	45%
4 bed		10%	15%
Total	100%	100%	100%

- 4.2 For typology 1 we have assumed 100% of the units are delivered as 3 bed houses and Typology 5 we have assumed that 10% of the 3 bed units are delivered as houses.
- 4.3 With respect to the size of units adopted in the study, these are set out in Table 4.3.1 below and have been informed by the minimum gross internal floor areas set out in Policy 3.5 and Table 3.3 of the London Plan Consolidated with Alterations since 2011 published in March 2016 and the DCLG's Technical Housing standards' nationally described space standard published in March 2015.

Table 4.3.1: Unit Sizes adopted in study

Unit type	1 Bed flat	2 bed flat	3 bed flat	4 bed flat	3 bed house
Unit size (sq m)	50	70	95	108	102

Residential sales values

- 4.4 Residential values in the area reflect national trends in recent years but do of course vary between different sub-markets. We note that since our March 2013 CIL Viability Report was published (with research undertaken in mid 2012), the Land Registry's database identifies that house prices in the borough have increased by circa 65%.
- 4.5 We have undertaken research on updated residential values in the borough using online database sources including Molior London, the Land Registry, Rightmove and discussions with active local agents. We also have an excellent understanding of values attributed to new build developments from viability work undertaken on behalf of the Council. We have considered all of this evidence of transacted properties in the area as well as properties on the market and pricing of new developments to establish appropriate values for testing purposes. This exercise indicates that in general, developments in the city fringe, Thames waterfront regions (such as St Katherine's docks and Wapping), Canary Wharf and docklands will attract average the highest sales values in the borough ranging from circa £8,342 per square metre (£775 per square foot) to £12,917 per square metre (£1,200 per square foot). Lower values are generally achieved in the east of the borough, however in peripheral areas values of new build development have been seen to increase significantly over the last few years. We have established high medium and low values for each of the three adopted CIL Zones as identified in Table 4.5.1, however for the purposes of testing the level of CIL that can be accommodated in the Borough we have applied the medium average sales values in our appraisals.

Table 4.5.1: Average sales values adopted in Tower Hamlets appraisals

Area	Ave values £s per sq m	Ave values £s per sq ft
CIL Zone 1 - High	£12,917	£1,200
CIL Zone 1 - Medium	£ 9,688	£ 900
CIL Zone 1 - Low	£ 8,342	£ 775
CIL Zone 2 - High	£ 9,149	£ 850
CIL Zone 2 - Medium	£ 8,073	£ 750
CIL Zone 2 - Low	£ 7,266	£ 675
CIL Zone 3 - High	£ 8,611	£ 800
CIL Zone 3 - Medium	£ 7,266	£ 675
CIL Zone 3 - Low	£ 6,189	£ 575

- 4.6 As noted earlier in the report, BNP Paribas Real Estate, Knight Frank and Savills predict that sales values will increase over the medium term. Whilst this predicted growth cannot be guaranteed, we have run a sensitivity analysis assuming growth in sales values of 10%, accompanied by cost inflation of 5%. This sensitivity analysis provides the Council with an indication of the impact of changes in values and costs on scheme viability.

Affordable housing tenure and values

- 4.7 With respect to affordable housing, the Council's Strategic Policy S.H1 identifies that the Council's strategic target for affordable homes of 50% will be achieved by requiring a minimum of 35% to 50% affordable homes on sites providing net additional residential units (subject to viability). Policy D.H2 'Affordable housing' goes on to identify that the Council will seek to maximise affordable housing in line with Policy S.H1 and will require delivery of housing in accordance with a 70% Rent and 30% Intermediate tenure split. The supporting text at paragraph 4.18 identifies that the plan:

“... sets a target of achieving 50% affordable homes through private development as well as council-led initiatives. This target is considered to best reflect local housing need. On developments that yield 11 or more net additional residential units, at least 35% of affordable housing is expected. Developments are expected to maximise the provision of affordable housing, having regard to availability of public subsidy, implications of phased development (including provision for re-appraising scheme viability at different stages of development) as well as financial viability. Affordable housing calculations will be made using habitable rooms. Given the extent of local need, it is considered necessary and appropriate to seek financial contributions towards the provision of affordable housing from sites of less than 10 units. Financial contributions will be calculated using our preferred methodology as set out in the Planning Obligations Supplementary Planning Document. Over the plan period, developments on small sites have the potential to contribute over 3,000 new homes and could make a significant contribution towards meeting local affordable housing need (see appendix 7). Financial contributions will be calculated using a sliding-scale target starting at 3.5% across the whole site and increasing to 3.5% for each additional home, reaching 35% for sites of 11 units or more. Further detail (including on financial viability assessments) is provided in the developer contributions policy (D.SG5) and in the latest Planning Obligations Supplementary Planning Document. Policy S.H1 also requires ‘a mix of housing sizes and tenures on all sites providing new housing’ and further supports ‘a variety of housing products in the market and affordable tenure’.

- 4.8 Policy D.H2 ‘Affordable housing’ sets out that The Council will seek to ‘maximise the provision of affordable housing in accordance with a 70% rented and 30% intermediate tenure split. The supporting text in paragraphs 4.28 and 4.29 identify that:
- 4.28 Where the development provides up to 35% affordable housing, as per policy S.H1 above, the affordable housing provision should be comprised of:
- 70% rented element, of which 50% should be London affordable rents and 50% should be Tower Hamlets living rent; and
 - 30% intermediate element, which can include London living rent, shared ownership and other intermediate products.
- 4.29 Larger intermediate units (3 or more bedrooms) should be prioritised as London Living Rent products, and generally, shared ownership will not be considered appropriate where unrestricted market values of a unit exceed £600,000 (as per the Affordable Housing and Viability Supplementary Planning Guidance [GLA, 2016]). Where the development provides more than 35% affordable housing, the tenure of the additional affordable homes will be subject to negotiation. GLA developed products (including the London Affordable Rent and London Living Rent) may be subject to change over the plan period. Our affordable housing service will provide further guidance on suitable products when assessing applications. Rent levels are determined as part of the viability assessment of each planning application and undertakings are made to retain similar rent levels at the point of completion. The ownership of affordable homes must be transferred to one of our approved local registered providers or other approved affordable housing providers.
- 4.9 The Council have identified that given the identified need in the borough they require forthcoming applications to split the 70% rented affordable element between SR and THLR. These will be equally split 50/50 between all unit sizes.
- 4.10 With respect to the 30% intermediate units, the Council has indicated that they are willing to be flexible on these units and have requested that three options of this provision be tested as follows:
- 50% LLR and 50% SO;
 - 100% SO; and
 - 100% LLR.

- 4.11 We set out in Table 4.11.1 the weekly rents for Social Rent (based on London Affordable Rent (“LAR”), Tower Hamlets Living Rent and London Living Rent adopted in our appraisals, which were the rents as at the point of gathering appraisal input data for this study. We understand that moving forward 2017/2018 values will apply as identified in Table 4.11.2 below.

Table 4.11.1 Social Rent (based on London Affordable Rent), Tower Hamlets Living Rent and London Living Rent weekly rents adopted in appraisals

Sub Market	London Living Rent (16/17)				Tower Hamlets Living Rent (16/17)				Social Rent/London Affordable Rent (16/17)			
CIL Z1 High	£267.66	£297.40	£327.14	£359.86	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z1 Med	£231.63	£257.37	£283.10	£311.41	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z1 Low	£202.77	£225.30	£247.83	£272.62	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z2 High	£267.66	£297.40	£327.14	£359.86	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z2 Med	£217.98	£242.20	£266.42	£293.06	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z2 Low	£178.44	£198.27	£218.09	£239.90	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z3 High	£253.59	£281.77	£309.95	£340.94	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z3 Med	£202.77	£225.30	£247.83	£272.62	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87
CIL Z3 Low	£178.44	£198.27	£218.09	£239.90	£194.74	£214.21	£235.63	£259.20	£142.70	£151.09	£159.48	£167.87

Table 4.11.2 Social Rent (based on London Affordable Rent), Tower Hamlets Living Rent and London Living Rent weekly rents 2017/18

Sub Market	London Living Rent				Tower Hamlets Living Rent				Social Rent/London Affordable Rent(17/18)			
CIL Z1 High	£267.66	£297.40	£327.14	£356.88	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z1 Med	£231.63	£257.37	£283.10	£308.84	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z1 Low	£202.77	£225.30	£247.83	£270.37	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z2 High	£267.66	£297.40	£327.14	£356.88	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z2 Med	£217.98	£242.20	£266.42	£290.64	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z2 Low	£178.44	£198.27	£218.09	£237.92	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z3 High	£253.59	£281.77	£309.95	£338.12	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z3 Med	£202.77	£225.30	£247.83	£270.37	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70
CIL Z3 Low	£178.44	£198.27	£218.09	£237.92	£198.63	£218.49	£241.36	£264.38	£144.26	£152.73	£161.22	£169.70

- 4.12 We have used our bespoke model to value the affordable housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures in the borough over a period of circa 35 years which capitalises the net rental income stream. With respect to the social rented accommodation the model calculates the gross rent for these properties derived from a combination of property values (as at January 1999). The net rent is then calculated by taking into account factors such as: standard levels for individual registered providers (RP’s) management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt.
- 4.13 In the July 2015 Budget, the Chancellor announced that RPs will be required to reduce rents by 1% per annum for the subsequent four years. This has reduced the capital values that RPs will pay developers for completed affordable housing units. At this stage, it is unclear whether this requirement will roll forward beyond the four year period 2015/16 to 2018/19. Our model accounts for this by reducing rents in years 1 to 4, which is a cautious assumption and assumes that the restriction will remain in place in perpetuity for rented accommodation in this study.
- 4.14 The CLG/HCA ‘Shared Ownership and Affordable Homes Programme 2016 to 2021 – Prospectus’ document clearly states that Registered Providers will not receive grant funding for any affordable housing provided through planning obligations. Consequently, all our appraisals assume nil grant. We note that the Government’s 2016 Autumn Statement identified that the Government would “invest of a further £1.4 billion to deliver 40,000

additional affordable homes” and that they “will relax restrictions on government grant to allow a wider range of housing-types”. However, we consider that the proposed sum is unlikely to achieve the delivery of 40,000 new homes as suggested given the increase in sales values since 2010 (i.e. when such grant was last available to fund all tenures of affordable housing). In addition we are aware that the GLA’s Draft Affordable Housing and Viability SPG 2016 identifies that, “To enable the delivery of more affordable homes the Mayor will make funding available to increase the proportion of affordable homes above that which is viable on a nil-grant basis. Funding will be available on a tariff basis, details of which are set out in the Mayor’s Homes for Londoners: Affordable Homes Programme 2016-21.” BNP Paribas Real Estate is of the opinion that any grant funding will now have to work harder to achieve the same outcome that would have been possible in 2010 and therefore is unlikely to be available on all schemes. On this basis we have assumed no grant is available in the testing undertaken. Notwithstanding this we recommend that the Council revisits this assumption in future viability reviews.

- 4.15 For shared ownership units, we have assumed that RPs will sell 25% initial equity stakes and charge a rent of 2.75% on the retained equity. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%.

Build costs

- 4.16 We have sourced build costs for the residential schemes from the RICS Building Cost Information Service (BCIS), which is based on tenders for actual schemes adjusted to reflect local circumstances in Tower Hamlets. We have then been provided with additional advice from WT Partnership (“WTP”), who were instructed by the Council to provide advice in relation to the likely extra over costs above the aforementioned base build costs associated with the Council’s policy requirements. We set out the base build costs in Table 4.16.1 overleaf.

Table 4.16.1 Base Build costs adopted in study

Typology No.	Number of units	Housing type	Development density units per ha	Net developable area (ha)	Gross to net for flats	Base build costs per sq m
1	3	Houses	100	0.03	n/a	1,583
2	6	Flats	350	0.02	80%	1,700
3	10	Flats	235	0.04	80%	1,700
4	11	Flats	235	0.05	80%	1,700
5	25	Houses and flats	375	0.07	75%	1,583 2,100
6	50	Flats	380	0.13	75%	2,250
7	100	Flats	210	0.48	75%	2,250
8	250	Flats	280	0.89	75%	2,250
9	400	Flats	630	0.63	75%	2,500

- 4.17 In addition to the base build costs outlined above we have also allowed for other factors which are not included in BCIS. Our appraisals include allowances of 15% for external works and a contingency of 5% of base build costs.
- 4.18 WTP have advised that the costs of SUDs and attenuation is very much dictated by the size of a site, density and ground conditions. It is also dependant on the approach the developer undertakes e.g. using green roofs, permeable paving, simple rainwater harvesting, swales, or water storage etc. The typologies included in this area wide assessment vary greatly from a 3 units to 400 units. WTP’s considered advice to test in this study is that the Policy requirements would add circa 0.4% of base build costs.

- 4.19 WTP consider that the cost of providing step free access to a block of apartments over 3 floors is very small as a lift would normally be provided for a scheme over 4 floors and it would only require a step free ramped access at the entrance, which would be a minor cost. The cost of providing step free access to low-rise developments where a lift would not be part of a scheme would be disproportionately expensive as you would need to add in a lift and ramps. This would include providing external ramp, lift pit, lift core and overrun, lift installation to which you need to add Contractor's overheads and profit and preliminaries and in our opinion would cost in the order of £100,000 for samples 2, 3 and 4.
- 4.20 The Greater London Housing Standard Review Viability Assessment dated May 2015 indicates an increase in cost of between 2% - 2.4% of the construction costs to provide step free access in low rise developments. This would equate to circa £40,000-50,000 based on samples 2, 3 and 4, which in their opinion could only be achieved on a two storey scheme using a platform type lift but not on a three storey block using a standard lift. They have therefore advised that an allowance of £100,000 should be adopted in the viability study for achieving step free access to samples 2, 3 and 4.
- 4.21 WTP identify that the Greater London Housing Standards Review Viability Document refers to an increase of circa 1% to 1.5% on construction costs to achieve 35% CO2 reduction standard. This is based on the whole of Greater London Authority (GLA) area and WTP have advised that in their opinion, Tower Hamlets being an Inner London Borough would be at the upper end of this assessment. They have therefore advised that an extra over cost of 1.5% is appropriate to achieve 35% CO2 reduction.
- 4.22 To achieve Zero Carbon WTP have advised that a circa 3% mark up on the base build costs (i.e. not cumulative on the above 1.5% allowance) adopted on flatted developments and 5% on houses would in their opinion be appropriate.

Professional fees

- 4.23 In addition to base build costs, schemes will incur professional fees covering design, valuation highways and planning consultants and the cost of preparing and submitting the planning application and so on. Our appraisals incorporate an allowance of 10-12%, which is at the middle to higher end of the range for most schemes.

Development finance

- 4.24 Our appraisals assume that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, reflective of current funding conditions.

Marketing costs

- 4.25 Our appraisals incorporate an allowance of 3% for marketing costs, which includes show homes and agents' fees, plus 0.5% for sales legal fees.

Section 106 and CIL

- 4.26 We have adopted an allowance of £1,220 per unit for residual S106 contributions as per the Council's previous CIL viability study, which we understand from the Council remains a reasonable assumption based on elements they would seek S106 towards from such schemes.
- 4.27 In addition to an allowance for Borough CIL tested at a range of costs, we have also included Mayoral CIL based on the MCIL2 PDCS rate of £60 per sq m.
- 4.28 CIL applies to net additional floorspace¹⁰. Given the urban nature of Tower Hamlets our appraisals assume a deduction of 15% for existing floorspace.

¹⁰ Existing buildings must be occupied for their lawful use for at least six months out of the previous 36 months (three years) prior to grant of planning permission to qualify as existing floorspace for the purposes of calculating CIL liability.

Development and sales periods

- 4.29 Development and sales periods vary between type of scheme. However, our sales periods are based on an assumption of a sales rate of 8 units per month. This is reflective of current market conditions, whereas in improved markets, a sales rate of 10 to 12 units per month might be expected.

Developer's profit

- 4.30 Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. In 2007, profit levels were at around 15-17% of development costs. However, following the impact of the credit crunch and the collapse in interbank lending and the various government bailouts of the banking sector, profit margins have increased. It is important to emphasise that the level of minimum profit is not necessarily determined by developers (although they will have their own view and the Boards of the major housebuilders will set targets for minimum profit).
- 4.31 The views of the banks which fund development are more important; if the banks decline an application by a developer to borrow to fund a development, it is very unlikely to proceed, as developers rarely carry sufficient cash to fund it themselves. Consequently, future movements in profit levels will largely be determined by the attitudes of the banks towards development proposals.
- 4.32 The near collapse of the global banking system in the final quarter of 2008 is resulting in a much tighter regulatory system, with UK banks having to take a much more cautious approach to all lending. In this context, and against the backdrop of the current sovereign debt crisis in the Eurozone, the banks were for a time reluctant to allow profit levels to decrease. Perceived risk in the in the UK housing market had been receding with a range of developer profit of between 17% to 20% being seen on developments across London, but the outcome of the referendum on the UK's membership of the European Union and the commencement of negotiations to leave the EU following the triggering of Article 50, has resulted in a degree of uncertainty about the future trajectory of house prices. We have therefore adopted a profit margin of 20% for testing purposes (being at the higher end of the range previously experienced), although individual schemes may require lower or higher profits, depending on site specific circumstances.
- 4.33 Our assumed return on the traditional affordable housing GDV is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RP prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance (February 2014) and HCA's guidelines in its Development Appraisal Tool (August 2013).

Exceptional costs

- 4.34 Exceptional costs can be an issue for development viability on previously developed land. Exceptional costs relate to works that are 'atypical', such as remediation of sites in former industrial use and that are over and above standard build costs. However, in the absence of detailed site investigations, it is not possible to provide a reliable estimate of what exceptional costs might be, further these costs will vary on a site by site basis. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for abnormal ground conditions and some other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.

- 4.35 It is expected however, that when purchasing previously developed sites developers will have undertaken reasonable levels of due diligence and would therefore have reflected obvious remediation costs/suitable contingencies into their purchase price.

Benchmark land values

- 4.36 Benchmark land values, based on the existing use value or alternative use value of sites are key considerations in the assessment of development economics for testing planning policies and tariffs. Clearly, there is a point where the Residual Land Value (what the landowner receives from a developer) that results from a scheme may be less than the land's existing use value. Existing use values can vary significantly, depending on the demand for the type of building relative to other areas. Similarly, subject to planning permission, the potential development site may be capable of being used in different ways – as a hotel rather than residential for example; or at least a different mix of uses. Existing use value or alternative use value are effectively the 'bottom line' in a financial sense and therefore a key factor in this study.
- 4.37 We have arrived at a broad judgement on the likely range of benchmark land values. On previously developed sites, the calculations assume that the landowner has made a judgement that the current use does not yield an optimum use of the site; for example, it has fewer storeys than neighbouring buildings; or there is a general lack of demand for the type of space, resulting in low rentals, high yields and high vacancies (or in some cases no occupation at all over a lengthy period). We would not expect a building which makes optimum use of a site and that is attracting a reasonable rent to come forward for development, as residual value may not exceed current use value in these circumstances.
- 4.38 Redevelopment proposals that generate residual land values below current use values are unlikely to be delivered. While any such thresholds are only a guide in 'normal' development circumstances, it does not imply that individual landowners, in particular financial circumstances, will not bring sites forward at a lower return or indeed require a higher return. If proven current use value justifies a higher benchmark than those assumed, then appropriate adjustments may be necessary. As such, current use values should be regarded as benchmarks rather than definitive fixed variables on a site by site basis.
- 4.39 The four benchmark land values used in this study have been selected to provide a broad indication of likely land values across the Borough, but it is important to recognise that other site uses and values may exist on the ground. There can never be a single threshold land value at which we can say definitively that land will come forward for development, especially in urban areas.
- 4.40 It is also necessary to recognise that a landowner will require an additional incentive to release the site for development¹¹. The premium above current use value would be reflective of specific site circumstances (the primary factors being the occupancy level and strength of demand from alternative occupiers). For policy testing purposes it is not possible to reflect the circumstances of each individual site, so a blanket assumption of a 20% premium has been adopted to reflect the 'average' situation.
- 4.41 **Benchmark Land Value 1:** This benchmark assumes higher value secondary office space on a hectare of land, with 40% site coverage and 4 storeys. The rent assumed is based on lettings of second hand offices in the Borough at £25 per sq ft. We have assumed a £50 per sq ft allowance for refurbishment and a letting void of three years. The capital value of the building would be £46.225 million, to which we have added a 20% premium, resulting in a benchmark of £55.471 million.
- 4.42 **Benchmark Land Value 2:** This benchmark assumes medium value secondary office space

¹¹ This approach is therefore consistent with the National Planning Policy Framework, which indicates that development should provide "competitive returns" to landowners. A 20% return above current use value is a competitive return when compared to other forms of investment.

on a hectare of land, with 40% site coverage and 4 storeys. The rent assumed is based on lettings of second hand offices in the Borough at £17 per sq ft. We have assumed a £50 per sq ft allowance for refurbishment and a letting void of three years. The capital value of the building would be £25.531 million, to which we have added a 20% premium, resulting in a benchmark of £30.637 million.

- 4.43 **Benchmark Land Value 3:** This benchmark assumes lower value secondary office space or community use on a hectare of land, with 50% site coverage and 2 storeys. The rent assumed is based on such lettings of second hand premises in the Borough at £12.50 per sq ft. We have assumed a £35 per sq ft allowance for refurbishment and a letting void of three years. The capital value of the building would be £11.923 million, to which we have added a 20% premium, resulting in a benchmark of £14.308 million.
- 4.44 **Benchmark Land Value 3:** This benchmark assumes lower value secondary industrial space on a hectare of land, with 60% site coverage and 1.5 storeys. The rent assumed is based on lettings of secondary industrial floorspace in the Borough at £4.95 per sq ft. We have assumed a letting void of two and a half years. The capital value of the building would be £6.243 million, to which we have added a 20% premium, resulting in a benchmark of £7.497 million.

Table 4.44.1: Summary of Benchmark Land Values

Use	Benchmark per gross hectare
Higher Value Secondary Offices	£55,470,629
Medium Value Secondary Offices	£30,637,362
Lower Value Secondary Offices / Community Use	£14,307,614
Secondary Industrial/Warehousing	£7,491,054

Commercial development

- 4.45 We have appraised a series of commercial development typologies, reflecting a range of use classes at average rent levels achieved on lettings of commercial space in actual developments. In each case, our assessment assumes an intensification of the site, based on three current commercial uses of the site, providing a range of current use values. In each case, the existing use value assumes that the existing building is 30%-50% of the size of the new development, with a lower rent and higher yield reflecting the secondary nature of the building.

Commercial rents and yields

- 4.46 Our research on lettings of commercial floorspace indicates a range of rents achieved, as summarised in Table 4.46.1. This table also includes our assumptions on appropriate yields to arrive at a capital value of the commercial space. New build developments are on the whole likely to attract a premium rent above second hand rents, particularly in such areas of the borough where commercial development achieves higher rents i.e. City Fringe and Docklands areas. The rents and yields adopted in our appraisals are summarised in Table 4.46.1.
- 4.47 Our appraisals of commercial floorspace test the viability of developments on existing commercial sites. For these developments, we have assumed that the site could currently accommodate one of three existing uses (i.e. thereby allowing the site to be assessed in relation to a range of three current use values ('CUVs')) and the development involves the intensification of site. We have assumed lower rents and higher yields for existing space than the planned new floorspace. This reflects the lower quality and lower demand for second hand space, as well as the poorer covenant strength of the likely occupier of second hand space. A modest refurbishment cost is allowed for to reflect costs that would be incurred to secure a letting of the existing space. A 20% landowner premium is added to the

resulting existing use value as an incentive for the site to come forward for development. The actual premium would vary between sites, and be determined by site-specific circumstances, so the 20% premium has been adopted as a ‘top of range’ scenario for testing purposes.

Commercial build costs

- 4.48 We have sourced build costs for the commercial schemes from the BCIS, which is based on tenders for actual schemes. These costs vary between different uses and exclude external works and fees (our appraisals include separate allowances for these costs). Costs for each type of development are shown in Table 4.46.1.
- 4.49 It is noted that the Council’s Policy SP4 ‘Working towards a low carbon Haringey’ in the PS DPD sets out the Council’s aspiration to achieve at least BREEAM ‘very good’ with an aim to achieve ‘Excellent’ on all non-residential development. In this regard we have included an allowance of 2% of base build costs towards achieving BREEAM ‘very good’ in our commercial appraisals, which reflects the advice contained in the BREEAM and Sweett Group Research ‘Delivering Sustainable Buildings: savings and payback’ 2014.

Profit

- 4.50 In common with residential schemes, commercial schemes need to show a risk adjusted profit to secure funding. Profit levels are typically around 20% of developments costs and we have incorporated this assumption into our appraisals.

Residual Section 106 costs

- 4.51 The extent to which the Council will seek Section 106 contributions on commercial floorspace is unclear at this stage, but we have incorporated a notional £20 per square metre allowance. This figure is considered to be a reasonable proxy for likely sums to be sought after CIL is adopted. It is noted that Section 106 contributions will remain negotiable and in this regard there is scope for these to flex according to viability.

Mayoral CIL

- 4.52 We have allowed for Mayoral CIL based on the MCIL2 PDCS rates as set out in Table 4.52.1 below.

Table 4.52.1 MCIL2 PDCS rates

Use and location	MCIL 2 £ per sq m
Office (Docklands and City Fringe)	£185
Retail (Docklands and City Fringe)	£165
Hotel (Docklands and City Fringe)	£140
All other uses and the above developments outside of the Docklands and City Fringe area	£60

Table 4.46.1: Commercial appraisal assumptions for each use

Appraisal input	Source/Commentary	Offices	Industrial and warehousing	Supermarkets and Retail warehousing	All other Retail (A1-5)	Hotels	Student Accommodation
Total floor area (sq ft)	Scheme	30,000	15,000	30,000	9,000	4* Hotel - 190 rooms (93,496 sq ft) 5* Hotel – 155 rooms (136,584 sq ft) Budget Hotel – 189 rooms (54,649 sq ft)	500 rooms (142,500 based on 285 sq ft per room)
Rent (£s per sq ft)	Based on average lettings sourced from Costar and property market reports from property companies including BNP Paribas Real Estate, Colliers, Savills, Knight Frank, Cushman and Wakefield, Glenny's etc.	City Fringe - £65 North Docklands and Canary Wharf ("CW") - £45 South Docklands - £35 Rest of Borough - £20	£12.75	£24	Prime (North Docklands CW & City Fringe) - £50 Rest of Borough - £30	4* Hotel - £313,158 cap val per room 5* Hotel – £1,161,290 cap val per room Budget Hotel – £185,185 cap val per room	£224 per week for private let room £155 per week for affordable room
Rent free/void period (years)	BNPPRE assumption	2	2	0.6	1.5	n/a	95% occupancy of rooms
Yield	Knight Frank yield schedule and property company reports as above.	City Fringe - 4.75% North Docklands and Canary Wharf ("CW") – 4.75% South Docklands – 5.5% Rest of Borough - 6.5%	4.75%	4.75%	Prime (North Docklands CW & City Fringe) - 4.5% Rest of Borough - 6%	4.75% - 5%	4.5%
Purchaser's costs (% of GDV)	Stamp duty 5%, plus agent's and legal fees	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%
Demolition costs (£s per sq ft of existing space)	Based on experience from individual schemes	£8	£8	£8	£8	£8	£8
Gross to net (net as % of gross)	Based on experience from individual schemes	82%	90%	82%	82%	N/A as rent based on per room and room size based on gross area per room.	N/A as rent based on per room and room size based on gross area per room.
Base construction costs (£s per sq ft)	BCIS costs	City Fringe - £219 North Docklands and Canary Wharf ("CW") – £219 South Docklands - £208 Rest of Borough - £191	£90	£155	Prime (North Docklands CW & City Fringe) - £242 Rest of Borough - £190	£176 - £224	£196
BREEAM Very Good (% of base build costs)	BREEAM and Sweett Group Research 'Delivering Sustainable Buildings: savings and payback' 2014	2%	2%	2%	2%	2%	2%
External works (% of base build costs)	BNPPRE assumption	10%	10%	10%	10%	10%	10%
Contingency (% of build costs)	BNPPRE assumption	5%	5%	5%	5%	5%	5%
Letting agent's fee	(% of first year's rent)	10%	10%	10%	10%	10%	N/A
Agent's fees and legal fees	(% of capital value)	1.75%	1.75%	1.75%	1.75%	1.75%	1.5%
Interest rate	BNPPRE assumption	7%	7%	7%	7%	7%	7%
Professional fees (% of build)	BNPPRE assumption, relates to complexity of scheme	10%	10%	10%	10%	10%	10%
Profit (% of costs)	BNPPRE assumption based on schemes submitted for planning	20%	20%	20%	20%	20%	20%

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Table 4.46.2 Commercial appraisal assumptions for each use – current use benchmarks

Appraisal input	Source/Commentary	Offices	Industrial and warehouses	Supermarkets and Retail warehousing	All other Retail (A1-5)	Hotels	Student Accommodation
Existing floorspace	Assumed to be between 30% to 50% of new space (N.B. appraisals do not discount existing floorspace)	50%	50%	50%	50%	50%	50%
Rent on existing floorspace (£s per sq ft)	Reflects three types of poor quality second hand space (industrial, office and retail as appropriate), low optimisation of site etc. and ripe for redevelopment.	City Fringe - £35 -£55 North Docklands and Canary Wharf ("CW") – £20 - £30 South Docklands - £15 - £25 Rest of Borough - £9 - £15	£7 - £9	£13 - £20	Prime (North Docklands CW & City Fringe) - £30 - £40 Rest of Borough - £9 - £15	Docklands 7& City Fringe - £25 - £45 Docklands and Rest of Borough - £15 - £25	£20
Yield on existing floorspace	BNPPRE assumption, reflecting lower covenant strength of potential tenants, poor quality building etc.	City Fringe - 5.5% - 5% North Docklands and Canary Wharf ("CW") – 6.25% - 5.75% South Docklands - £7% - 6% Rest of Borough – 7.5% - 7%	7%	7% - 6.5%	Prime (North Docklands CW & City Fringe) - 5.75% – 5.25% Rest of Borough - 7%	Docklands 7& City Fringe – 6% - 5.25% Docklands and Rest of Borough – 7% - 6%	6.25%
Rent free on existing space	Years	2	2	2	2	2	2
Refurbishment costs (£s per sq ft)	General allowance for bringing existing space up to lettable standard	£50	£30	£35	£50	£50	£50
Fees on refurbishment (% of refurb cost)	BNPPRE assumption	7%	7%	7%	7%	7%	7%
Landowner premium	BNPPRE assumption – in reality the premium is likely to be lower, therefore this is a conservative assumption	20%	20%	20%	20%	20%	20%

5 Appraisal outputs

Residential appraisals

- 5.1 The full outputs from our appraisals of residential development are attached as **Appendix 1 to 5**. We have modelled nine site types, reflecting different densities and types of development, which are tested in the nine broad housing market areas identified in Section 4 and against the typical land value benchmarks for the borough.

Scenarios tested

- 5.2 The purpose of the exercise is to test whether the rate of CIL can be varied from the current rates in the adopted Charging Schedule. We have therefore tested the eight development typologies with 50% to 10% affordable housing to reflect the range of affordable housing required by the Council's policies. We set out below the scenarios tested:
- 1 Policy position with base sales values and base costs (including extra overs for planning policy requirements);
 - 35% affordable housing:
 - Current costs and values:
 - AH split 35% SR, 35% THLR, 15% LLR and 15% SO;
 - AH split 35% SR, 35% THLR, 30% SO; and
 - AH split 35% SR, 35% THLR, 30% LLR.
 - 2 As (1) above with 50%, 40%, 30%, 20%, 10% and 0% affordable housing;
 - 3 As (1) above with 10% increase in sales values and 5% increase in build costs; and
 - 4 As (1) above with 5% fall in sales values.
- 5.3 CIL applies to net additional floor area only. Our base appraisals assume no deduction for existing floorspace, thereby providing the worst case scenario¹².
- 5.4 The residual land values from each of the scenarios above in each housing market area are then compared to the benchmark land value based on the assumptions set out in paragraphs 4.41 to 4.44. The outcome of this analysis is compared to This comparison enables us to determine whether the imposition of higher rates of CIL than those in the adopted Charging Schedule (with indexation) would have a demonstrably more significant impact on development viability in comparison to the adopted rates. In some cases, the equation RLV less BLV results in a negative number, so the development would not proceed, whether the adopted level of CIL was imposed or not. Given that the rates would apply to such scenarios currently, as the CIL is in force, the question we need to explore is the extent to which a higher rate of CIL would significantly change the result, such that the scheme would almost certainly not come forward.
- 5.5 The results for each site type are presented in tables showing the CIL rate and the corresponding RLV (which is then converted into a RLV per hectare). The RLV per hectare is then compared to the four benchmark land values, which are also expressed as a per hectare value. Where the RLV exceeds the benchmark, the amount of CIL entered into the appraisal is considered viable.

¹² Existing buildings must be occupied for their lawful use for at least six months in the three years prior to grant of planning permission to qualify as existing floorspace for the purposes of calculating CIL liability.

5.6 A sample of the format of the results is provided in Figure 5.6.1 below. This sample relates to site type 5.

Figure 5.6.1: Sample format of residential results

Community Infrastructure Levy LB Tower Hamlets		Benchmark Land Values (per gross ha)			
		BLV1	BLV2	BLV3	BLV4
		Benchmark land value 1 - Higher value secondary offices	Benchmark land value 2 - Medium value secondary offices	Benchmark land value 3 - Lower value secondary office or community use	Benchmark land value 4 - Lower value secondary industrial
		£55,470,629	£30,637,362	£14,307,614	£7,491,054

Site type 5		Affordable %		Site area	
Houses & Flats		35%		0.07 ha	
No of units	25 units	% Social Rent	35%	Net to gross	100%
Density:	375 dph	% LBTH Living Rent	35%		
		% Lon Living Rent	15%	Growth	
		% Shered Ownership	15%	Sales	0%
				Build	0%

CIL Z1 Med (£900 psf)		Private values	
		£9688 psm	

Maximum CIL rates (per square metre)						
BLV1	BLV2	BLV3	BLV4			
#N/A	£400	£450	£450			

CIL amount per sq m	RLV	RLV per ha	RLV less BLV 1	RLV less BLV 2	RLV less BLV 3	RLV less BLV 4
0	2,539,924	38,098,855	-17,371,774	7,461,493	23,791,241	30,607,801
80	2,405,951	36,089,262	-19,381,367	5,451,899	21,781,648	28,598,208
100	2,383,378	35,750,665	-19,719,964	5,113,303	21,443,051	28,259,611
125	2,355,163	35,327,442	-20,143,187	4,690,080	21,019,828	27,836,388
150	2,326,948	34,904,218	-20,566,410	4,266,856	20,596,605	27,413,164
175	2,298,732	34,480,980	-20,989,649	3,843,618	20,173,367	26,989,926
200	2,270,517	34,057,757	-21,412,872	3,420,395	19,750,143	26,566,703
225	2,242,302	33,634,534	-21,836,095	2,997,171	19,326,920	26,143,480
250	2,214,086	33,211,295	-22,259,333	2,573,933	18,903,682	25,720,241
275	2,185,871	32,788,072	-22,682,557	2,150,710	18,480,458	25,297,018
300	2,157,656	32,364,834	-23,105,795	1,727,472	18,057,220	24,873,780
325	2,129,441	31,941,611	-23,529,018	1,304,248	17,633,997	24,450,557
350	2,101,226	31,518,387	-23,952,241	881,025	17,210,774	24,027,333
375	2,073,010	31,095,149	-24,375,480	457,787	16,787,535	23,604,095
400	2,044,795	30,671,926	-24,798,703	34,564	16,364,312	23,180,872
450	1,988,364	29,825,464	-25,645,164	-811,898	15,517,851	22,334,410

Commercial appraisals

5.7 Our research on rents achieved on commercial lettings indicates a range of rents within each main use class. Our commercial appraisals therefore model base position and test the range of rates (higher and lower than the base level) and changes to yields. This enables us to draw conclusions on maximum potential rates of CIL. For each type of development tested, we have run appraisals of a quantum of floorspace, each with rent levels reflecting the range identified by our research.

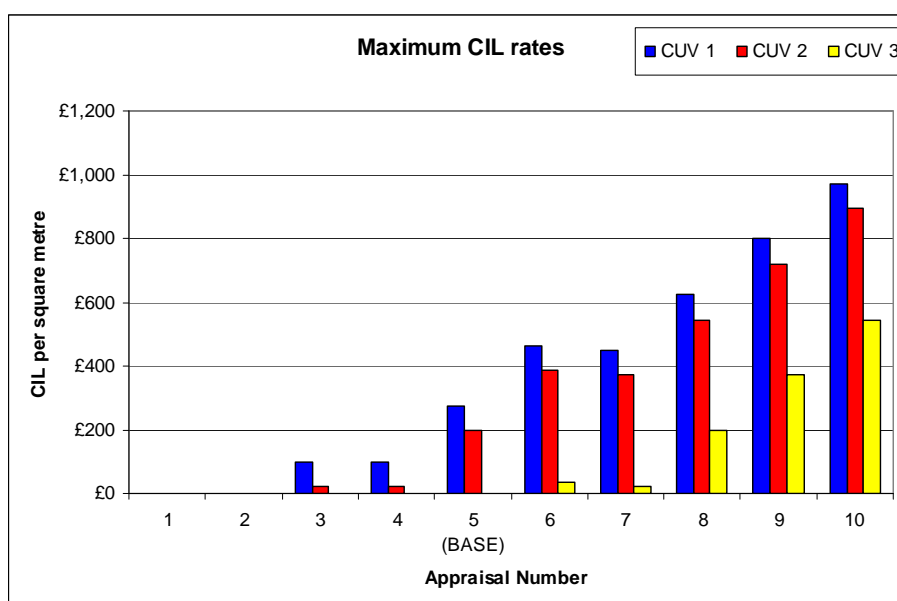
5.8 The appraisals include a 'base' rent level, with sensitivity analyses which model rents above and below the base level (an illustration is provided in Chart 5.8.1). The maximum CIL rates are then shown per square metre, against three different current use values (see Table 4.46.1). Chart 5.8.2 provides an **illustration** of the outputs in numerical format, while Chart 5.8.3 shows the data in graph format. In this example, the scheme could viably absorb a CIL of between £0 and £275 per square metre, depending on the current use value. The analysis demonstrates the significant impact of very small changes in yields (see appraisals 4 and 6, which vary the yield by 0.25% up or down) on the viable levels of CIL.

Chart 5.8.1: Illustration of sensitivity analyses

	£s per sq ft	Yield	Rent free
Appraisal 1	£21.00	6.50%	2.00 years
Appraisal 2	£22.00	6.50%	2.00 years
Appraisal 3	£23.00	6.50%	2.00 years
Appraisal 4	£24.00	6.75%	2.00 years
Appraisal 5 (base)	£24.00	6.50%	2.00 years
Appraisal 6	£24.00	6.25%	2.00 years
Appraisal 7	£25.00	6.50%	2.00 years
Appraisal 8	£26.00	6.50%	2.00 years
Appraisal 9	£27.00	6.50%	2.00 years
Appraisal 10	£28.00	6.50%	2.00 years

Chart 5.8.2: Maximum CIL rates – numerical format

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-14%	£0	£0	£0
Appraisal 2	-9%	£0	£0	£0
Appraisal 3	-4%	£100	£23	£0
Appraisal 4	0%	£99	£21	£0
Appraisal 5 (base)	-	£275	£197	£0
Appraisal 6	0%	£465	£387	£38
Appraisal 7	4%	£449	£371	£23
Appraisal 8	8%	£624	£546	£197
Appraisal 9	11%	£798	£720	£371
Appraisal 10	14%	£972	£894	£546

Chart 5.8.3: Maximum CIL rates – graph format


6 Assessment of the results

- 6.1 This section sets out the results of our appraisals with the residual land values calculated for scenarios with sales values and capital values reflective of market conditions across the Borough. These RLVs are then compared to benchmark land values for each site.
- 6.2 Development value is finite and – in densely developed Boroughs such as Tower Hamlets - is rarely enhanced through the adoption of new policy requirements. This is because existing use values are sometimes relatively high prior to development. In contrast, areas which have previously undeveloped land clearly have greater scope to secure an uplift in land value through the planning process.
- 6.3 In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable *regardless of the Council's policy requirements, including the level of CIL* (including a nil rate) and schemes that are viable *prior* to the imposition of policy requirements. If a scheme is unviable before policy requirements and CIL are levied, it is unlikely to come forward and policy requirements and CIL would not be a factor that comes into play in the developer's/landowner's decision making. The unviable schemes will only become viable following an increase in values and sites would remain in their existing use.
- 6.4 The CIL regulations state that in setting a charge, local authorities must “strike an appropriate balance” between revenue maximisation on the one hand and the potentially adverse impact of CIL upon the viability of development across the whole area on the other. Our recommendations are that:
- Firstly, councils should take a strategic view of viability. There will always be variations in viability between individual sites, but viability testing should establish the most typical viability position; not the exceptional situations.
 - Secondly, councils should take a balanced view of viability – residual valuations are just one factor influencing a developer's decision making – the same applies to local authorities.
 - Thirdly, while a single charge is attractive, it may not be appropriate for all authorities, particularly in areas where sales values vary between areas.
 - Fourthly, markets are cyclical and subject to change over short periods of time. Sensitivity testing to sensitivity test levels of CIL to ensure they are robust in the event that market conditions improve over the life of a Charging Schedule is essential.
 - Fifthly, local authorities should not set their rates of CIL at the limits of viability. They should leave a margin or contingency to allow for change and site specific viability issues.
- 6.5 CIL rates should not necessarily be determined solely by viability evidence, but should not be logically contrary to the evidence. Councils should not follow a mechanistic process when setting rates – appraisals are just a guide to viability and are widely understood to be a less than precise tool.
- 6.6 This conclusion follows guidance in paragraph: 019 Reference ID: 25-019-20140612 of the CIL Guidance set out in the NPPG, which states that *‘there is no requirement for a proposed rate to exactly mirror the evidence... There is room for some pragmatism.’* The Council should not follow a mechanistic process when setting rates – appraisals are just a guide to viability and are widely understood to be a less than precise tool. Further, Paragraph: 021 Reference ID: 25-021-20140612 of the NPPG identifies that, *‘Charging authorities that plan to set differential levy rates should seek to avoid undue complexity.’*

Assessment – residential development

- 6.7 CIL operates as a fixed charge and - as was previously the case with the adopted rates - the Council will need to consider the impact on two key factors. Firstly, the need to strike a balance between maximising revenue to invest in infrastructure on the one hand and the need to minimise the impact upon development viability on the other. CLG guidance recognises that CIL may make some developments unviable, although experience to date indicates that this is a very rare occurrence. Secondly, as CIL will effectively take a ‘top-slice’ of development value, there is a potential impact on the percentage or tenure mix of affordable housing that can be secured.
- 6.8 As previously stated, in assessing the results it is important to clearly distinguish between two scenarios; namely, schemes that are unviable regardless of the level of CIL (including a nil rate) and schemes that are viable prior to the imposition of CIL at certain levels. If a scheme is unviable before CIL is levied, it is unlikely to come forward and CIL would not be a critical factor. We have therefore disregarded the ‘unviable’ schemes in recommending an appropriate level of CIL. The unviable schemes will only become viable following a degree of real house price inflation, or in the event that the Council agrees to a lower level of affordable housing in the short term¹³.

Determining maximum viable rates of CIL for residential development

- 6.9 As noted in paragraph 6.8, where a scheme is unviable the imposition of CIL at a zero level will not make the scheme viable. Other factors (i.e. sales values, build costs or benchmark land values) would need to change to make the scheme viable. For the purposes of establishing a maximum viable rate of CIL, we have had regard to the development scenarios that are currently viable and that might, therefore, be affected by a CIL requirement. All the results summarised below assume that current affordable housing requirements are met in full. In addition, the rates discussed below are **inclusive of the Mayoral CIL (at the current rate of £35 per sq m (un-indexed) and £60 per sq m for MCIL2)**.
- 6.10 We set out below the results of our appraisals identifying the maximum CIL rates against each of the four benchmark land values for the nine typologies we have tested all of which include affordable housing at 35% provided as 70% rented (split 35% Social Rent and 35% THLR) and 30% intermediate (split 15% LLR and 15% SO).

Table 6.10.1: Site type 1 (3 houses)

Site type	T1 - 3 Houses			
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V ¹⁴	N/V	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	450	450
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	450

¹³ However, as shown by the sensitivity analyses (which reduce affordable housing to 40%, 30% and 20%) even a reduction in affordable housing does not always remedy viability issues. In these situations, it is not the presence or absence of planning obligations that is the primary viability driver – it is simply that the value generated by residential development is lower than some existing use values. In these situations, sites would remain in their existing use.

¹⁴ N/V = not viable

Table 6.10.2: Site type 2 (6 flats)

Site type T2 - 6 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	450	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	450	450
CIL Z3 Med (£675 psf)	N/V	N/V	300	450

Table 6.10.3: Site type 3 (10 flats)

Site type T3 - 10 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	0	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	450	450
CIL Z3 Med (£675 psf)	N/V	N/V	0	450

Table 6.10.4: Site type 4 (11 flats)

Site type T4 - 11 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	100	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	450	450
CIL Z3 Med (£675 psf)	N/V	N/V	0	450

Table 6.10.5: Site type 5 (25 houses and flats)

Site type T5 - 25 Houses and Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	400	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	300	450
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	175

Table 6.10.6: Site type 6 (50 flats)

Site type T6 - 50 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	N/V	450	450
CIL Z2 Med (£750 psf)	N/V	N/V	N/V	N/V
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	N/V

Table 6.10.7: Site type 7 (125 flats)

Site type T7 - 100 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	N/V	N/V	325
CIL Z2 Med (£750 psf)	N/V	N/V	N/V	N/V
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	N/V

Table 6.10.8: Site type 8 (250 flats)

Site type T8 - 250 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	N/V	N/V	450
CIL Z2 Med (£750 psf)	N/V	N/V	N/V	N/V
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	N/V

Table 6.10.9: Site type 9 (400 flats)

Site type T9 - 400 Flats				
	BLV1	BLV2	BLV3	BLV4
CIL Z1 Med (£900 psf)	N/V	N/V	N/V	0
CIL Z2 Med (£750 psf)	N/V	N/V	N/V	N/V
CIL Z3 Med (£675 psf)	N/V	N/V	N/V	N/V

Sensitivity analysis: growth in sales values and increases in build costs

- 6.11 We have re-run our appraisals to test the impact that growth in sales values alongside inflation on costs might have on scheme viability and the consequential impacts on how increased levels of CIL might be absorbed by developments.
- 6.12 We have run two sensitivity analyses, the first assuming 10% growth in sales values alongside cost inflation of 5%, while the second assumes 20% growth in sales values alongside cost inflation of 10%. This represents medium term (5 year) growth and inflation but is not a prediction.
- 6.13 See appendices 4 and 5 for the results of these sensitivity analyses. In some cases, there is no change, but in others the maximum CIL rate would increase as values increase. However, we would caution against attaching significant weight to these results as the future trajectory of house prices is inherently uncertain.

Sensitivity analysis on affordable housing percentage

- 6.14 All the results above reflect the Council's 35% affordable housing target, which is applied to individual schemes having regard to viability. In order to test the relationship between different affordable housing percentages and levels of CIL, we have run a series of sensitivity analyses which test the affordable housing percentage from 50% to 0%. The results at **Appendix 1** test 50%, 40%, 35%, 30%, 25%, 20%, 10% and 0%.
- 6.15 Given that affordable housing has a much more significant bearing on viability than CIL (with the latter having a much smaller impact on residual land value than the latter), the maximum CIL rate increases when lower affordable housing percentages are applied.

Suggested CIL rates

- 6.16 Although the results indicate that viability of residential development is currently challenging in certain locations and on certain types of development at full affordable housing policy levels, it is possible for the Council to continue to levy rates across all areas and increase the rates in the borough subject to allowing for a buffer or margin to address risks to delivery.
- 6.17 As previously identified we reiterate that it is important to consider that where a scheme is shown as unviable before the application of CIL, it will be other factors such as sales values and build costs that will need to adjust for the scheme to become viable.
- 6.18 We set out below a summary of the maximum residential CIL charges as indicated by the results of our appraisals in **Appendix 1**. We have then analysed the maximum borough CIL i.e. removing MCIL2. From this we have then derived the potential CIL charges allowing for a 25% buffer from the maximum borough CIL, which we consider to be a reasonable margin to deal with the risks associated with site specific development and changes to the market.

Table 6.18.1 Table showing maximum CIL charges indicated by appraisals

Area	Maximum CIL indicated by appraisals ¹⁵ (£s per sq m)	Maximum Borough CIL indicated by appraisals (£s per sq m)	Potential Borough CIL after buffer (£s per sq m)	Existing Borough CIL charge Borough (£s per sq m) (indexed charge)
CIL Z1	£450	£390	£280	£200 (£211.58)
CIL Z2	£300	£240	£180	£65 (£68.76)
CIL Z3	£175	£115	£85	£35 (£37.03)

Assessment - Commercial development

- 6.19 As there are existing CIL charges in place for certain types of commercial development in certain locations of the Borough, our testing considers whether there have been significant changes in viability that would give rise to an enhanced capacity for commercial development to absorb a higher CIL rate than currently levied. We have allowed for the MCIL 2 rates in our commercial appraisals and therefore the maximum rates stated below are net of the MCIL2 liability.

Offices

- 6.20 The current charging schedule has a CIL charge of £90 per sq m (£95.21 per sq m indexed) on office development in the city fringe area and a nil rate elsewhere. We have undertaken research which has identified that rents have increased and yields moved in since the last charging schedule was examined in the City Fringe and North Docklands areas.
- 6.21 The results of our appraisals identify that:
- the City Fringe area could accommodate a significant increase with a maximum borough CIL rate of between £0 and £2,516 per sq m dependant on the current use of the site, however this is identified as being sensitive to changes in inputs, for example a shift in yield out by 0.25% would reduce the maximum CIL by circa £500 per sq m;
 - the North Docklands area could accommodate a borough CIL charge of between £192 per sq m and £1,292 per sq m dependant on the current use of the site. However, as with the City Fringe results the maximum CIL rate is identified as being sensitive to

¹⁵ Covering both Borough and Mayoral CIL requirements.

changes in rents and yield e.g. the Maximum CIL rate drops by circa £350 per sq m where the yield increases by 0.25%; and

- in the South Docklands and Elsewhere it remains unchanged that no CIL charge can be levied.

6.22 We set out below analysis of the potential borough CIL charge, allowing for indexed Mayoral CIL and Crossrail S106 and a reasonable buffer taking into consideration the aforementioned sensitivity of the results.

Table 6.22.1 Table showing maximum and recommended CIL charges indicated by appraisals

Area	Maximum CIL indicated by appraisals ¹⁶ (£s per sq m)	BNPPRE Suggested Borough CIL (£s per sq m)	Existing Borough CIL charge Borough (£s per sq m) (<i>indexed charge</i>)
City Fringe	Nil - £2,516	£100	£90 (£95.21)
North Docklands	£192 - £1,292	£100	Nil (<i>Nil</i>)
South Docklands and Elsewhere	Nil	Nil	Nil (<i>Nil</i>)

Industrial and warehousing

6.23 The current Charging Schedule has a nil rate on industrial development across the borough as a whole. Rents have increased and yields compressed since the previous CIL Viability Study, but cost increases have offset increased value to an extent.

6.24 Our appraisals of industrial and warehousing development are attached as **Appendix 6**. The schemes do not generate residual land values that exceed the existing use values. On this basis we recommend that the Council considers maintaining a nil rate on such uses.

Supermarkets and retail warehouse

6.25 The current Charging Schedule applies a rate of £120 per sq m (£126.95 per sq m indexed) on supermarket and retail warehouse development across the borough as a whole.

6.26 The results of our appraisals suggest that maximum CIL charge of between £0 per sq m and £401 per sq m can be levied. Adopting benchmark land value 2 indicates a maximum borough CIL charge of £203 per sq m. We would suggest the Council considers a Borough CIL charge of £130 per sq m which would allow for an appropriate buffer form the maximum CIL charge.

All other retail

6.27 The current charging schedule applies a CIL charge of £70 per sq m (£74.05 per sq m indexed) on retail development (except supermarkets and retail warehousing) in the city fringe and North Docklands area and a nil rate elsewhere.

6.28 The results of our appraisals have identified that:

- Prime retail in the City Fringe and North Docklands areas could accommodate a maximum CIL rate of between £0 per sq m and £892 per sq m; and
- Elsewhere it remains unchanged that no CIL charge can be levied.

¹⁶ Covering both Borough and Mayoral CIL requirements.

- 6.29 Considering the maximum CIL rate indicated when measured against benchmark land value 2 of £230 per sq m we therefore suggest the Council considers a borough CIL charge of £100 per sq m in the City Fringe and North Docklands areas, which allows for a suitable buffer from the maximum CIL charge. Elsewhere in the Borough we recommend the Council maintains the existing nil CIL charge on such uses.

Hotel

- 6.30 The current Charging Schedule applies a rate of £180 per sq m (£190 per sq m indexed) on hotel development across the borough as a whole.
- 6.31 The results of our appraisals suggest a maximum CIL charge of between £0 per square metre and £2,577 dependant on the scheme and benchmark land value. We note that the maximum CIL rates vary significantly and given the results we suggest that the Council considers maintaining the CIL charge at £190 per sq m.

Student housing

- 6.32 The current Charging Schedule applies a rate of £425 per sq m (£449.62 per sq m indexed) on student accommodation development at market rents across the borough as a whole.
- 6.33 The results of our appraisals identify that with no affordable student accommodation (at the London Housing Supplementary Planning Guidance 2016 rental level) the maximum borough CIL charge (i.e. having already deducted MCIL 2) of £920 per sq m. Our appraisal allowing for 35% affordable student accommodation identifies a maximum borough CIL charge of £300 per sq m. Reducing the affordable student accommodation to 30% and 25% identifies maximum borough CIL charges of £426 per sq m and £535 per sq m respectively. Given this position we suggest the Council maintains the existing indexed student accommodation CIL charge.

7 Strategic sites

7.1 We have run high level appraisals of 14 strategic sites selected by the Council to test the viability of key sites in the Borough which will be instrumental in the delivery of the THDLP's growth strategy.

7.2 The sites considered and their key features are summarised in Table 7.2.1 below.

Table 7.2.1 Details of strategic sites assessed

Site No.	Site name	Existing use	Gross Site size (ha)	Infrastructure requirement	Current ownership
1	Bishopsgate Goods Yard	Shoreditch High Street Overground Station; "Box Park" Football Pitches Vacant Land	4.24	1. Strategic Open space 2. Local Presence Facility 3. Leisure Uses – Football Pitches	Private
2	Bow Common Gas Works	Gas Works	3.94	1. Secondary School 2. Strategic Open Space	Private
3	Billingsgate Market	Wholesale Market	5.74	1. Secondary School 2. Open Space	Private
4	North Quay	Vacant land	2.22	1. Open space	Private
5	Vacant land adjacent to new Reuters Ltd server building	Vacant land	2.71	1. Primary School 2. Open space	Private
6	Limeharbour - Skylines Site	Industrial and office space	1.56	Primary School	Private
7	Marsh Wall East - Thames Key site	Offices	1.6	Primary School	Private
8	Marsh Wall West - Marsh Wall, Alpha Square	Medical centre Pub Business uses	0.4	1. Primary School 2. Health facility	Private
9	Millharbour - Mastmaker Road/ Lightermans Road Site	Education and Training Centre	0.97	Health Centre	Private
10	Crossharbour Town Centre	Supermarket, car parking	6.06	1. Local Presence Facility 2. Health Facility 3. Primary School	Private
11	Leven Road Gas Works	Active gas holders	8.56	1. Secondary School 2. Open Space	Private
12	Whitechapel South - Site bound by raven row	Warehouse Facility used for sports	1.39	None	Private
13	Millharbour South - 5, 6, 7, 8 Greenwich View Place	Secondary Offices	0.95	1. Primary School	Private
14	Marian Place Gas Works	Gas works	1.9	1. Strategic Open Space	Private

Methodology

- 7.3 We have used *Argus Developer* (“Argus”) to undertake the high level appraisals of developments on the 14 strategic sites. Argus is a commercially available development appraisal package in widespread use throughout the development industry. It has been accepted by a number of local planning authorities for the purpose of viability assessments and has also been accepted at planning appeals. Banks also consider Argus to be a reliable tool for secured lending valuations. Further details can be accessed at www.argussoftware.com
- 7.4 Argus is essentially a cash-flow model. Such models all work on a similar basis:
- Firstly, the value of the completed development is assessed.
 - Secondly, the development costs are calculated, including either the profit margin required or land costs. In our appraisals we include profit as a development cost.
- 7.5 The difference between the total development value and total costs equates to the residual land value (“RLV”). The model is normally set up to run over a development period from the date of the commencement of the project until the project completion, when the development has been constructed and is occupied.
- 7.6 The cash-flow approach allows the finance charges to be accurately calculated over the development period. This approach can accommodate more complex arrangements where a number of different uses are provided or development is phased.
- 7.7 In order to assess whether a development scheme can be regarded as being economically viable, with a given level of planning obligations, it is necessary to compare the RLV that is produced with a benchmark land value. If a development generates a RLV that is higher than the benchmark it can be regarded as being economically viable and therefore capable of providing a greater quantum of obligations. However, if a development generates a RLV that is lower than the benchmark, it should be deemed economically unviable and the quantum of planning obligations would need to be reduced until viability is achieved.
- 7.8 The approach taken to appraising the larger sites (Bishopsgate Goods Yard, Billingsgate Market, Crossharbour Town Centre and Leven Road Gas Works) is based on the assessment of an un-g geared and un-grown IRR assuming a fixed land cost (the identified benchmark land value). For long term projects of this nature it would not be unreasonable for a developer / landowner to measure profitability on this basis.

Inputs

- 7.9 Further details of the schemes tested and the inputs adopted in the appraisals for the 16 sites are set out clearly in **Appendix 7**.

Viability Benchmarks

- 7.10 We have undertaken an assessment of the existing use values (“EUVs”) of each of the sites, using either pro-rata values from the benchmark land values identified in section 4 or an assessment of the existing floorspace and uses on the site. In order to encourage the landowners to bring the sites forward for development (allowing for a ‘competitive return’), we have added a premium of 20% to the value. The benchmark land values that result from this assessment are shown in Table 7.10.1 below.

Table 7.10.1: Viability benchmarks

Site No.	Site	Existing Use Value (£ millions)
1	Bishopsgate Goods Yard	£23.472
2	Bow Common Gas Works	£21.811
3	Billingsgate Market	£31.775
4	North Quay	£12.289
5	Vacant land adjacent to new Reuters Ltd server building	£15.002
6	Limeharbour - Skylines Site	£31.732
7	Marsh Wall East - Thames Key site	£43.773
8	Marsh Wall West - Marsh Wall, Alpha Square	£5.982
9	Millharbour - Mastmaker Road/ Lightermans Road Site	£8.202
10	Crossharbour Town Centre	£56.167
11	Leven Road Gas Works	£23.693
12	Whitechapel South - Site bound by raven row	£26.045
13	Millharbour South - 5, 6, 7, 8 Greenwich View Place	£31.992
14	Marian Place Gas Works	£10.512

Appraisal results allowing for proposed Borough CIL and MCIL2 rates

7.11 Table 7.11.1 below shows the residual land value for each site taking into account the proposed Borough CIL and MCIL2 rates against the viability benchmark, whilst Table 7.11.2 identifies the ungrown IRR for the four large sites tested.

Table 7.11.1: Appraisal results of smaller sites with 35% affordable housing, proposed Borough CIL and MCIL2 rates

Site No.	Site/scenario	Residual Land Value (£ millions)	Viability Benchmark (£ millions)	Surplus / deficit against benchmark (£ millions)
2	Bow Common Gas Works	-£16.181	£21.811	-£37.992
5	Vacant land adjacent to new Reuters Ltd	£14.559	£15.002	-£0.443
6	Limeharbour – Skylines Site	£46.674	£31.732	£14.942
7	Marsh Wall East – Thames Key Site	£75.915	£43.773	£32.142
8	Marsh Wall West – Marsh Wall, Alpha Square	£25.893	£5.982	£19.911
9	Millharbour – Mastmaker Road	£48.520	£8.202	£40.318
12	Whitechapel South – Site bound by Raven Row	£25.866	£26.045	-£0.179
13	Millharbour South – 5,6,7,8 Greenwich View Place	£17.755	£31.992	-£14.237
14	Marian Place Gas Works	£7.595	£10.512	-£2.917

Table 7.11.2: Appraisal results of large sites with 35% affordable housing, proposed Borough CIL and MCIL2 rates measured using IRR

Site No.	Site/scenario	Fixed Land cost (£ millions)	Ungrown and ungeared IRR achieved
1	Bishopsgate Goods Yard	£23.472	27.28%
3	Billingsgate Market	£31.775	22.73%
4	North Quay	£12.289	32.43%
10	Crossharbour Town Centre	£56.167	14.46%
11	Leven Road Gas Works	£23.693	5.36%

Assessment and Suggested CIL rates

- 7.12 We have undertaken an assessment of each of the strategic sites identified by the Council, applying the applying the CIL liability that the sites would incur, based on the suggested CIL charges as set out in section 6 of this report. We have also allowed for MCIL2. See in **Appendix 7** for a copy for the results of the testing and sensitivity testing undertaken.
- 7.13 With respect to the larger sites we appreciate that developers often suggest that they are targeting an IRR of 20%, however, it has been our experience on large schemes in London that this is often based on grown IRRs given the long term nature of such schemes. Further, we are aware of developers having agreed to proceed with developments identified as generating IRRs of 13% (ungrown). On this basis we are of the opinion that the large majority of the sites tested can viably deliver the suggested CIL rates along with the emerging THDLP policy requirements.
- 7.14 With respect to the small number of sites identified as being unviable we highlight that sites 5 Vacant land adjacent to new Reuters Ltd, 12 Whitechapel South – Site bound by Raven Row and 14 Marian Place Gas Works are all only marginally unviable at 35% affordable housing. The results of our sensitivity testing has identified that these sites are deliverable with between 30% and 35% affordable housing. We note that Site 13 Millharbour South was identified as being viable at between 20% and 25% affordable housing in the Local Plan Viability testing of the strategic sites at current adopted Borough and Mayoral CIL rates and this position remains unchanged with the proposed CIL charges tested in this study.
- 7.15 As highlighted in the Local Plan Viability testing, Site 2 Bow Common Gas Works and Site 11 Leven Road Gas Works are identified as having challenging viability, regardless of CIL i.e. it is not CIL that is impacting on the viability of these sites. Given the nature of the existing use on the sites there is potential for a significant decontamination works bill. We have included an allowance of £3.2m per pa for the sites, based on our experience of the costs associated with decontamination of similar gasworks sites in London, which amounts to abnormal costs of £12.608 million and £27.329 million respectively. We have assumed a worst case scenario in our testing in that we have allowed for the full EUV plus a 20% premium of the site as well as the decontamination bill being paid by the developer. In reality a developer is likely to take these costs into consideration in bidding for the site or alternatively the landowner will bear the cost of the decontamination, delivering a clean site to the market and recovering the costs through a higher purchase price than would otherwise have been achieved. On this basis we have undertaken sensitivity testing of the two schemes.
- 7.16 Our sensitivity testing in the Local Plan testing of Site 2 Bow Common Gas Works assumed that a developer deducts the cost of the decontamination from the purchase price of the site and on this basis the site is deliverable as a 100% private scheme. This position remains the same with the proposed CIL charge.

- 7.17 Our sensitivity testing of Site 11 Leven Road Gas Works in the Local Plan Viability testing confirmed that where the decontamination is assumed to be carried out by the landowner and the full EUV plus 20% premium is paid, the site can deliver circa 25% affordable housing. Once again this viability position remains unchanged with the Council's proposed CIL tested in this study.
- 7.18 Furthermore, the proposed Borough CIL, which will deliver much needed infrastructure to support the growth envisaged by these sites, has been identified as being no more than circa 5% of scheme costs (see table 7.18.1 below). This is considered to be a very small part of a development's cost and should not be the determining factor as to whether or not a development goes ahead.

Table 7.18.1 Analysis of Borough CIL as a percentage of development costs

Site No.	Site/scenario	LBTH CIL	Costs excluding LBTH CIL	CIL as a % of costs
1	Bishopsgate Goods Yard	£28,191,229	£915,521,305	3.08%
2	Bow Common Gas Works	£2,423,663	£187,463,041	1.29%
3	Billingsgate Market	£47,765,374	£1,320,820,787	3.62%
4	North Quay	£39,677,307	£1,113,966,085	3.56%
5	Vacant land adjacent to new Reuters Ltd server building	£7,608,522	£210,432,533	3.62%
6	Limeharbour - Skylines Site	£10,351,518	£452,378,619	2.29%
7	Marsh Wall East - Thames Key site	£7,323,344	£502,078,722	1.46%
8	Marsh Wall West - Marsh Wall, Alpha Square	£10,254,072	£420,923,357	2.44%
9	Millharbour - Mastmaker Road/ Lightermans Road Site	£4,921,644	£236,129,277	2.08%
10	Crossharbour Town Centre	£27,933,594	£636,599,799	4.39%
11	Leven Road Gas Works	£7,586,893	£535,925,143	1.42%
12	Whitechapel South - Site bound by raven row	£1,012,264	£323,066,524	0.31%
13	Millharbour South - 5, 6, 7, 8 Greenwich View Place	£3,082,227	£232,880,750	1.32%
14	Marian Place Gas Works	£6,909,084	£321,714,655	2.15%

- 7.19 In light of the above findings, we recommend the Council considers maintaining the proposed CIL rates across the Borough as they are not deemed to be of a sufficient magnitude that is likely to threaten the development of the strategic sites and as a result the *“delivery of the relevant Plan as a whole”* (NPPF paragraph 173 and NPPG Paragraph: 038 Reference ID: 25-038-20140612). On this basis we consider that the proposed approach *“strike(s) an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across (the Council's) area.”* (NPPG Paragraph 008 Reference ID: 25-008-20140612).

8 Conclusion and recommendations

8.1 The NPPF states that the cumulative impact of emerging local planning authority standards and policies “*should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle*”. This report reviews the CIL rates in the Council’s Charging Schedule, adopted on 1 April 2015. The study takes account of the cumulative impact of the Council’s current planning requirements, in line with the requirements of the NPPF and the Local Housing Delivery Group guidance ‘*Viability Testing Local Plans: Advice for planning practitioners*’. In addition, we have reflected the impact of the Mayoral CIL and (where relevant) Crossrail Section 106 obligations. We have also considered the implications of the MCIL2.

Key findings and suggested revisions to CIL rates

8.2 The key findings of the study are as follows:

- The results of this study are reflective of current market conditions, which will inevitably change over the medium term. It is therefore important that the Council keeps the viability situation under review so that policy requirements can be adjusted should conditions change markedly. Since the 2013 Viability Study was completed, there has been an improvement in sales values, which has been partially offset by an increase in build costs. The net result is a degree of improvement in viability and increased capacity to contribute towards local infrastructure.
- As was the case in the 2013 Viability Study, some schemes tested were unviable due to market factors, rather than the impact of the Council’s policy requirements. These schemes will not come forward until changes in site specific market conditions and their current unviable status should not be taken as an indication that the Council’s requirements cannot be accommodated on other schemes. It reflects the increasing viability of commercial development, with some existing forms of commercial generated higher values than residential development, reducing pressure for commercial buildings to be redeveloped for alternative (residential) use.

Residential

- In most cases, schemes can accommodate the Council’s affordable housing requirement at a level of circa 35%, with the capacity to make CIL payments increasing with lower affordable housing proportions.
- Our appraisals indicate that the Council’s currently adopted rates of CIL could increase without adversely impacting on viability of developments. The currently adopted and suggested CIL rates are summarised in Table 8.2.1. We also set out an analysis of the proposed CIL charge as a percentage of the development costs.

Table 8.2.1 Table showing suggested changes to residential CIL charges

Area	Existing Borough CIL charge Borough (£s per sq m) (indexed charge)	Suggested Borough CIL after buffer (£s per sq m)	Proposed CIL as % of Development Costs
CIL Z1	£200 (£211.58)	£280	2.2% - 3.0%
CIL Z2	£65 (£68.76)	£180	1.8% - 2.6%
CIL Z3	£35 (£37.03)	£85	1.0% - 1.4%

Commercial

- In the City Fringe and North Docklands, rents for both offices and retail developments have increased and our appraisals indicate that these uses will be able to absorb a CIL rate of £100 per sq m.
- Viability of retail and office markets outside the City Fringe and North Docklands have not changed sufficiently to warrant any changes to the adopted rates.
- Rents and yields of supermarkets and retail warehouses have improved since the adoption of the Charging schedule and appraisal identify that such uses should be able to support an increased CIL charge of £130 per sq m.
- Industrial and warehousing have seen increases in rents and a reduction in yields, partly as a result of a lack of available supply, however our appraisals identify that this does not generate a surplus above the benchmark land values and in this regard we recommend the Council maintains its existing nil charge on such uses.
- Market conditions for student housing and hotels have not changed significantly since the adoption of the Charging Schedule and we recommend no changes to the rates for these uses.
- The currently adopted and suggested CIL rates are summarised in Table 8.2.2. We also set out an analysis of the proposed rate as a percentage of the total scheme costs.

Table 8.2.2 Table showing suggested changes to Commercial CIL charges

Use and Location	Existing Borough CIL charge Borough (£s per sq m) (indexed charge)	Potential Borough CIL after buffer (£s per sq m)	Proposed CIL as % of Dev Costs
Office in City Fringe	£90 (<i>indexed - £95.21</i>)	£100	1.46%
Office in North Docklands	Nil	£100	1.67%
Retail in City Fringe and North Docklands	£70 (<i>indexed - £74.05</i>)	£100	1.45%
Supermarkets and retail warehouses	£120 (<i>indexed - £126.95</i>)	£130	3.13%

Strategic Sites

- Our assessment of the identified strategic sites has concluded that the majority of the sites can viably support the Borough's proposed CIL. With regard to the sites identified as being unviable we note that CIL does not have a significant impact in that the sites are deliverable with between 30% - 35% affordable housing or at a level previously identified in the Local Plan Viability testing as being viable.
- On the two gasworks sites identified as having the most challenging viability, we would highlight that CIL is not the determining factor making the sites unviable, i.e. adopting a nil CIL rate on these sites would not result in the developments generating residual land values above the identified benchmark land value.
- To demonstrate this position we have undertaken an assessment of the proposed Borough CIL liability calculated for each of the strategic sites and compared this to the total development costs. This has identified that the proposed CIL rates result in a liability that is no more than 5% of development costs. In fact, in the three schemes where viability is identified as being most challenging, CIL amounts to no more than 1.42% of development costs. Further, on the schemes identified as being unviable at

35% affordable housing CIL is no more than 3.62% of development costs (see Table 7.18.1).

- In light of our findings we recommend that the Council considers maintaining the proposed CIL rates across the Borough as they are not deemed to be of a sufficient magnitude that is likely to threaten the development of the strategic sites and as a result the “*delivery of the relevant Plan as a whole*” (NPPF paragraph 173 and NPPG Paragraph: 038 Reference ID: 25-038-20140612). Further, we consider that the proposed approach “strike(s) an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across (the Council’s) area.” (NPPG Paragraph 008 Reference ID: 25-008-20140612).

8.3 We summarise in Table 8.3.1 overleaf the suggested updated CIL charging schedule rates.

Table 8.3.1: Suggested rates for LB Tower Hamlets’ Updated CIL Charging Schedule

Development Type	Suggested CIL Rate per sq m (GIA) of Development		
	Zone 1	Zone 2	Zone 3
Residential	£280	£180	£85
Offices and Retail (Except Convenience Supermarkets/ Superstores and Retail Warehousing)	City Fringe & North Docklands		Rest of Borough
	£100		Nil
Convenience Supermarkets/ Superstores and Retail Warehousing	Borough Wide		
	£130		
Hotel	£190		
Student Housing Let at Market Rents	£450		
Student Housing Let at Below Market Rents	Nil		
All other uses	Nil		

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Community Infrastructure Levy (CIL)
Supporting Evidence and Funding Gap
Report

January 2018

1. Introduction

1.1 This document has been formed to describe and summarise the infrastructure planning evidence required to support the adoption of the Council's new Charging Schedule. In particular, it will set out:

- What the Council intends to fund using its CIL;
- The matters for which the Council will continue to secure using S106 planning obligations;
- The amount of funding collected in recent years through S106 Agreements;
- The extent to which the Council has met its affordable housing target;
- The Council's funding gap, in order to justify charging a CIL, alongside a levy funding target.

2 What the Council intends to fund using CIL

2.1 The list of types of projects on which the Council intends to spend its CIL is described in the Council's new draft Regulation 123 List, attached at Appendix A.

2.2 The only substantive amendment currently proposed to the Council's Regulation 123 List is that it removes a specific reference to infrastructure required by the Council's Managing Development Document on the Wood Wharf, Westferry Printworks, Bishopsgate Goods Yard and London Dock sites being excluded from the list. Also removed is a reference to one type of project ("Electricity supplies to all Council managed markets") as this has been completed so is no longer relevant in CIL funding terms.

2.3 The Council is reconsidering the terminology used in the Regulation 123 List to improve clarity and will consult on any further amendments proposed. It is very unlikely that any amendments required will affect the viability work supporting the proposed Charging Schedule, affecting the rates proposed. The Council intends to adopt the new Regulation 123 List at the same time as the newly proposed Charging Schedule.

2.3 The proposed Charging Schedule will help the Council raise funding to deliver the projects described in the Council's Infrastructure Delivery Plan (IDP). The IDP identifies a range of projects required to support the development of the Council's area as described in the Local Plan and London Plan. The Infrastructure projects described in

the IDP will help ensure development in Tower Hamlets is sustainable.

- 2.4 The Council decides on the allocation of CIL and S106 funding through its Infrastructure Delivery Framework decision-making process. This process was referred to and approved by the Mayor in Cabinet in January and October 2016.

3 The matters for which the Council will secure S106 Planning Obligations

- 3.1 The matters for which the Council will continue to secure using S106 planning obligations are described in detail in the Council's adopted Planning Obligations Supplementary Planning Document (SPD).

- 3.2 In summary, non-financial matters (such as the provision of affordable housing) will continue to be secured using S106 Planning Obligations. The Council intends to continue to secure a few financial non-infrastructure related matters through S106, including:

- **Construction Phase Skills and Training Contribution:** This financial contribution is sought to support and provide the training and skills needs of local residents in accessing the new job opportunities in the construction of development.
- **End User Phase Skills and Training Contribution:** This financial contribution is sought to support and provide the training and skills needs of local residents in accessing the new job opportunities created by the development.
- **Carbon Offset Contribution:** Where development proposals are unable to Development Plan carbon reduction targets on-site, contributions to a carbon offsetting fund will be sought to meet the shortfall.

- 3.3 The Council may continue to secure other site-by-site matters via S106 contributions where securing them would not conflict with the Council's Regulation 123 List.

4 The amounts collected in recent years through S106 and CIL

- 4.1 The following table summarises the amounts that the Council has collected in recent years through S106 and CIL:

Table 1: Amount of CIL/S106 collected by the Council, 14/15 – 16/17

	CIL	S106
2014/15	N/A	£14,900,000
2015/16	£6,785,260	£18,600,000
2016/17	£18,338,813	£16,400,000
Total	£25,124,073	£49,900,000

5 The extent to which the Council has met its affordable housing target in recent years

- 5.1 Tower Hamlets has an overarching affordable housing target of 50%, with a target for individual schemes of 35% - 50%.
- 5.2 Using information from the London Development Database, Table 2 below evidences the Council's performance against its housing target between 2012/13 and 2016/17:

Table 2: The extent to which the Council has met its housing target

	2012/13	2013/14	2014/15	2015/16	2016/17
No. of Affordable Units Delivered	262	691	730	822	1,008
% of Affordable Housing Delivered (by habitable room)	34%	34%	35.6%	41%	23.6%

- 5.3 More information in this regard can be found in the Council's Housing Delivery Strategy which is part of the Council's evidence base supporting its new draft Local Plan.

6 The Council's funding gap

- 6.1 Detailed information on the Council's Funding Gap is set out in chapter 2 ('Infrastructure Funding Position') of the Council's draft Infrastructure Delivery Plan supporting the Council's Regulation 19 version of its new draft Local Plan. The work in this section has been updated slightly to reflect new information on projects.

Cost of Infrastructure Described in the IDP

- 6.2 The following table describes the cost of the infrastructure projects set out in the Council's IDP.

Table 3: Costs of infrastructure projects in the Council's IDP

Infrastructure Category	Total Combined Cost of Projects	% of Total Cost	Number of Projects	Number of uncosted projects
Early Years Infrastructure	£1,047,768	0%	18	0
Primary Education Infrastructure	£123,240,000	6%	12	2
Secondary Education Infrastructure	£222,200,000	12%	9	1
Special Education Infrastructure	£15,000,000	1%	2	0
Health Facilities	£14,640,665	1%	21	8
Leisure and Sports Facilities	£550,000	0%	11	10
Idea Stores and Libraries	£38,500,000	2%	7	0
Transportation, Connectivity and Public Realm Infrastructure	£1,319,140,000	69%	72	7
Publicly Accessible Open Space	£74,910,000	4%	38	32
Employment and Enterprise Infrastructure	£40,000,000	2%	3	0
Community Centres	£2,240,000	0%	6	2
Youth Centre Facilities	£350,000	0%	2	1
Strategic Energy and Sustainability	£4,000,000	0%	2	0
Strategic Flood Defence Infrastructure	£1,600,000	0%	2	1
Council Managed Markets Infrastructure	£2,950,000	0%	5	0
Public Safety and Emergency Services Infrastructure	£31,936,000	2%	5	0
Utilities and Telecommunications Infrastructure	£4,500,000	0%	3	2
Waste Management Infrastructure	£4,000,000	0%	3	2
Total	£1,900,804,433	100%	221	68

6.3 Please note that the amount set out relating to Transportation, Connectivity and Public Realm Infrastructure includes an upgrade to the entire DLR network, costing approximately £700m. This amount cannot yet be disaggregated to establish what only applies to the Council's authority area. Note that this amount is assumed to be funded entirely by TfL's Business Plan so does not affect the Funding Gap.

6.4 There are 68 projects for which the Council does not yet have costs as these projects are not yet developed enough. The Council estimates that these projects would cost in the region of £150m - £300m to deliver although this figure depends on a number of unknown factors.

Potential Funding Sources

- 6.5 The following table summarises the Council's position with regard to the availability of funding to spend on infrastructure. Please note that the Council is not necessarily in receipt of the amounts stated, rather it reasonably expects these amounts to be available based on the information available.

Table 4: Availability of funding for infrastructure

Type of Funding	Amount Available	Source
1. Capital Grants	£792.68m	Council's Capital Programme 2017/18 – 2020/21.
2. S106 Funding: Existing account and projections up to 2028/29	£183.5m	Council's bespoke projections.
3. CIL Funding, existing and projections up to 2030/31	£366.18m	Council's bespoke Projections
Total	£1342.36m	

Capital Grants

- 6.6 This funding projection was partially derived from the Council's adopted Capital Programme which sets out the Council's funding position from 2017/18 to 2020/21. The draft Isle of Dogs and South Poplar Opportunity Area Planning Framework has also identified potential funding from TfL's Business Plan and this funding is also included under this category.
- 6.7 The table below provides a breakdown of the funding sources that fall under this category:

Table 5: Capital grant funding sources

Funding Source	Amount	Notes
Schools Basic Need/ Expansion Grant	£53.85m	
Transport for London's Local Improvement Programme	£10.828m	
Transport for London's Business Plan	£728m	Assumed to be spent on DLR Improvement Programme and the Crossharbour Station project.
	£792.68m	

S106 Funding

- 6.8 S106 is payable in accordance with triggers set out in S106 agreements. The Council's S106 income will, like CIL, depend upon the timings for delivery of individual development sites. The below table provides a breakdown of these funding sources.

Table 6: S106 on account and forecasted income

Year	Annual Amount (£)
Funding on account as at 31/03/2017	£86,172,404
2017/18 (estimate)	£17,500,000
2018/19 – 2028/29 (estimate)	£79,900,000
Total	£183,572,404

CIL Funding

- 6.9 The following table sets out projected income over the period of the Council's Regulation 19 version of its new draft Local Plan, assuming both the existing and proposed rates:

Table 7: Projected CIL income

	Proposed CIL Charging Schedule	Current CIL Charging Schedule
2017/18	£15,315,479	£15,315,479
2018/19	£10,703,254	£10,703,254
2019/20	£32,598,585	£32,598,585
2020/21	£28,868,502	£28,868,502
2021/22	£30,603,998	£20,274,415
2022/23	£38,610,676	£24,107,083
2023/24	£32,185,730	£20,056,449
2024/25	£31,161,568	£19,892,816
2025/26	£25,495,845	£16,527,379
2026/27	£18,757,889	£11,738,771
2027/28	£19,263,733	£11,923,836
2028/29	£19,247,054	£11,913,098
2029/30	£14,941,991	£9,287,554
2030/31	£13,140,465	£8,100,627
Total	£330,894,768	£241,307,847

- 6.10 Note that income projections above assume a new Charging Schedule is adopted in 2019/20 and the applications permitted after this point start to come forward from the year 2021/22.
- 6.11 The Council has to date collected £35.18m in CIL funding. In accordance with table 1 above, approximately £25m of those receipts were collected in the years 2015/16 and 2016/17. The remainder was collected in the year 2017/18 to date.

Funding Gap

Aggregate Funding Gap

- 6.12 The aggregate funding gap is the total cost of infrastructure, less funding from sources other than CIL:

Table 8: Aggregate funding gap for CIL

Total cost of infrastructure	£1,900,804,433
Less	
Funding from sources other than projected CIL Income	£1,011,360,000
Equals	
Aggregate Funding Gap	£889,444,433

Residual Funding Gap

- 6.13 The residual funding gap is calculated by subtracting the projected CIL income from the aggregate funding gap:

Table 9: Residual funding gap for CIL

Aggregate Funding Gap	£889,444,433
Less	
CIL Funding Projections up to 2030/31	£331,000,000
Equals	
Residual Funding Gap	£558,444,433

- 6.14 The Council are able to demonstrate a significant residual funding gap so are able to continue to charge a local CIL, in accordance with paragraph 16 of the CIL Planning Practice Guidance.
- 6.15 The scale of growth projected in Tower Hamlets means that the vast majority of funding for infrastructure will need to come from sources other than CIL.

Levy Funding Target

- 6.16 Given the Council has a significant funding gap, the Council's funding target for CIL will represent the maximum viable amount over the Local Plan period which has been identified as £331m (see table 7 above).

Appendix A: The Council's Regulation 123 List



Community Infrastructure Levy (CIL)

Regulation 123 List

xxxDatexxx

Regulation 123 List

List of Infrastructure Projects

xxxDatexxx

The list below sets out those types of infrastructure projects that Tower Hamlets Council intends will be, or may, be wholly or partly funded by CIL.


The inclusion of a type of infrastructure in this list does not signify a commitment from the Council to wholly or partly fund it through CIL.

Types of strategic infrastructure (including new provision, replacement or improvements to existing infrastructure, operation and maintenance)*: -

- **Community facilities**
- **Employment and training facilities**
- **Energy and sustainability (including waste) infrastructure**
- **Flood defences**
- **Health and social care facilities**
- **Infrastructure dedicated to public safety (for example, wider CCTV coverage)**
- **Leisure facilities such as sports facilities, libraries and Idea Stores**
- **Open space, parks and tree planting**
- **Public art provision**
- **Public education facilities**
- **Roads and other transport infrastructure**

* For the purposes of the CIL Regulation 123 List, 'strategic' is defined as infrastructure that is designed to serve more than those residents or workers within one particular development by contributing to infrastructure improvements across the wider Borough.



EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

<p>Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)</p>	<p>The Implementation of a New Community Infrastructure Levy (CIL) Charging Schedule</p> <p>The London Borough of Tower Hamlets is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in Tower Hamlets.</p> <p>The proposal relates to undertaking consultations and going through the process of adopting a new Charging Schedule which will set new rates for the Council's Charging Schedule.</p> <p>Approval to consult will be sought from the Mayor in Cabinet and a subsequent approval to adopt will be referred to Full Council for approval.</p>
<p>Directorate / Service</p>	<p>Place</p>
<p>Lead Officer</p>	<p>Joseph Ward</p>
<p>Signed Off By (inc date)</p>	<p>Joseph Ward, 20/10/2017</p>
<p>Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)</p>	<p>Example</p> <p> Proceed with implementation</p> <p>As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>

Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	Yes	The proposals relate to approvals to consult on and submit for examination a new local Community Infrastructure Levy Charging Schedule which will help the Council raise funding to deliver infrastructure.
b	Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?	Yes	The proposals will provide residents with an opportunity to comment on the Council's proposals with regards to a new CIL Charging Schedule. The equality profile of residents is available from the Census or GLA population data/projects.
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Yes	It is not envisaged that the new Charging Schedule will have any unequal impacts on the nine protected groups. The new Charging Schedule will be the subject of two consultations prior to adoption. This will ensure that the public have an opportunity to comment prior to adoption.
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	The equality profile of residents is available from the Census or GLA population data/projects.
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	Yes	The CIL rates have been formed in collaboration with other teams in the Council in a way that will have reasonably accounted for any equalities issues.
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	The proposal relates to carrying out consultations, so this will occur in due course.
3	Assessing Impact and Analysis		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	Yes	It is not envisaged that the proposals will have any unequal impacts on the nine protected groups.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal	Yes	It is not envisaged that the proposals will have any unequal impacts on the nine protected groups.

	impact on different groups?		
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	Yes	Not required.
b	Have alternative options been explored	Yes	Not required, the alternative option would be to not adopt a new Charging Schedule.
5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	Following the consultations, if appropriate, the proposals will be referred to Full council for approval to adopt.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	Yes	Equalities matters will be considered in any report for adoption. If appropriate, a plan will be formed to track any impacts across protected characteristics at that time.
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	Yes

Appendix A - Equality Assessment Criteria

Decision	Action	Risk
As a result of performing the QA checklist, it is evident that due regard is not evidenced in the proposal and / or a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . It is recommended that the proposal be suspended until further work or analysis is performed – via a the Full Equality Analysis template	Suspend – Further Work Required	Red: 
As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.	Proceed with implementation	Green: 

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Community Infrastructure Levy (CIL)

Instalments Policy

xxDatexx

1. Instalments Policy

1.1 This Instalments Policy has been prepared and published in accordance with regulations 69B of the Community Infrastructure Levy Regulations 2010 (as amended). It takes effect on the 1st January 2018.

1.2 The London Borough of Tower Hamlets requires the payment of the London Mayor's Community Infrastructure Levy (CIL) and its own Local CIL, as required by the relevant Charging Schedules, to be paid in accordance with the following table:

Table 1

Amount of CIL liability	Number of Instalment Payments	Amount or proportion of CIL payable in any instalment/time at which payments are due
£100,000 or less	No instalments	Total amount payable within 60 days of commencement of development
£100,001 or more	Two	<ul style="list-style-type: none">• The greater of £500,000 or half the value of the total amount payable within 60 days of commencement of development• The remainder within 240 days of commencement of development



Community Infrastructure Levy (CIL)
Payment In Kind and Infrastructure Payments
Policy

xxDatexx

1. In accordance with Regulation 73, 73A, 73B and 74 of the Community Infrastructure Levy Regulations (2010) as amended, the London Borough of Tower Hamlets Council as the Charging Authority for the area hereby gives notice that the Council is offering the payment of CIL by way of the transfer of land to the Council, or by infrastructure payments.
2. This policy is effective from the day the London Borough of Tower Hamlets CIL Charging Schedule comes into effect on 01/04/2015.
3. The CIL Regulations 2010 (as amended) allow the Council to accept full or part payment of CIL liability by way of transfer of land to the Council. The Council may also enter into agreements in writing (subject to the criteria in Regulation 73A) to receive infrastructure payments, before the chargeable development is commenced¹. The infrastructure to be provided must be related to the provision of the types of projects listed in the Council's Regulation 123 list.
4. The Council is not obliged to accept any offer of payment in kind by land or infrastructure.
5. Please see the Community Infrastructure Levy Regulations 2010 (as amended), for the full details relating to payment in kind.

¹ See Regulation 7 of the CIL Regulations (2010) as amended for "Commencement of Development".



**Community Infrastructure Levy (CIL)
Charging Schedule Explanatory Notes**

xxDatexx

1. Relief from Payment of CIL

- 1.1 The following types of development will usually be exempt from CIL and can apply for relief from the payment of the London Borough of Tower Hamlets' CIL:
- Dwellings let by registered providers of social housing, in accordance with the specific provisions of Regulation 49 of the CIL Regulations (2010) (as amended).
 - Charities where the development will be used wholly, or mainly, for charitable purposes (regulation 43 of the CIL Regulations 2010 (as amended)).
- 1.2 Under sections 55 to 58 of the CIL Regulations 2010 (as amended), the Council has the option to provide discretionary relief in 'exceptional circumstances'.

2. Payment by Instalments

- 2.1 Regulation 69b and 70 of the CIL Regulations 2010 (as amended) provides options for a Charging Authority to adopt an instalment policy, which will allow developers/liable parties to pay for the levy by instalments.
- 2.2 The Council, from the 1st January 2018 has adopted a new Instalments Policy that will apply in respect of both the London Mayor's and the Tower Hamlets Local CIL. It allows payment for developments with a CIL liability of more than £100,000 to be made in two instalments. The Council will keep this policy under review.

3. Relationship with Planning Obligations

- 3.1 The Council's Planning Obligations Supplementary Planning Document sets out the Council's approach to planning obligations. The Council has an adopted Regulation 123 List which sets out the types of infrastructure on which the Council intends to spend its CIL and therefore for which planning obligations will not be sought.

4. Monitoring and Administration

- 4.1 The London Borough of Tower Hamlets will retain 5% of CIL charges for monitoring and administrative purposes in accordance with the CIL Regulations 2010 (as amended).

5. Reporting and Review

- 5.1 Regulation 62 of the CIL Regulations 2010 (as amended) requires the Charging Authority to publish annual reports for each financial year.
- 5.2 The Council will keep the operation of the CIL and the position regarding the funding and economic viability evidence under continual review and, where necessary, will seek to renew the Charging Schedule in accordance with relevant Government guidance and legislation.

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Neighbourhood Planning: Isle of Dogs Neighbourhood Plan - 2017 to 2031 - Legal Compliance and Examination Stage</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Strategic Development
Originating Officer(s)	Marissa Ryan-Hernandez, Strategic Planning Manager and Ellie Kuper Thomas, Principal Planning Officer
Wards affected	Canary Wharf, Island Gardens, Blackwall & Cubitt Town.
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

Executive Summary

Neighbourhood planning was introduced by the Localism Act 2011 and allows communities to help shape their local area by preparing Neighbourhood Development Plans (NDP), or Neighbourhood Development Orders (NDOs), provided they meet a number of basic conditions, including being in general conformity with the strategic policies of a development plan prepared and adopted by the local planning authority (LPA). In parished areas neighbourhood planning processes are led by parish or town councils; in other areas neighbourhood planning forums must apply to the LPA to be designated as the lead (qualifying body).

The LPA has a statutory duty to assist communities in the preparation of NDPs and orders and to take plans through a process of examination and referendum.

The Isle of Dogs Neighbourhood Plan was submitted to London Borough of Tower Hamlets by the Isle of Dogs Neighbourhood Forum on 25th October 2017. The Plan was accompanied by a Basic Conditions Statement, a Consultation Statement and evidence of compliance with European Environmental legislation, as required by the Neighbourhood Planning (General) Regulations 2012.

Under The Localism Act (2011), the LPA is required upon submission of a NDP to check that it meets the legal requirements for those plans before it can progress to formal consultation, examination and referendum.

The Plan has been checked against the Neighbourhood Planning (General) Regulations 2012 (hereafter referred to as ‘the 2012 Regulations’), the Planning and Compulsory Purchase Act 2004 (as amended) (‘PCPA 2004’) and the Town and County Planning Act 1990 (as amended) (‘TCPA 1990’) and found to be legally compliant. Appendix 5 to this report is a table which details each stage of plan

preparation, the relevant regulations and legislation at each stage, how the Plan has met the regulations and whether or not it is compliant. Having carried out the checks, officer opinion is that the Isle of Dogs Neighbourhood Plan is legally compliant.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree that the submission of the draft Isle of Dogs Neighbourhood Plan under Regulation 15 of the Neighbourhood Planning (General) Regulations 2012 is Legally Compliant and should be publicised under Regulation 16 of the Neighbourhood Planning (General) Regulations 2012 and taken forward to Examination.
2. Agree that the Council should proceed to appoint an independent examiner with the consent of the neighbourhood forum in accordance with Paragraph 6 of Schedule 4B of the Town and Country Planning Act 1990 (as amended).
3. Delegate authority to the Divisional Director of Planning and Building Control, in consultation with the Cabinet Member for Strategic Development and Waste and the Mayor, to provide comments on behalf of the Council on the Submission version of the Plan.

1 REASONS FOR THE DECISIONS

- 1.1 Tower Hamlets Council, as LPA, has received a submission of a draft NDP under Regulation 15 of the 2012 Regulations.
- 1.2 Under The Localism Act (2011), the LPA is required upon submission of a NDP to check that it meets the legal requirements for those plans before it can progress to formal consultation, examination and referendum.
- 1.3 Under Regulation 16 of the 2012 Regulations the LPA has a statutory duty to take the documents forward to consultation 'as soon as possible after receiving a plan proposal which includes' the specified documents outlined in Regulation 15 of the 2012 Regulations.
- 1.4 Officers have undertaken an assessment of the submitted Isle of Dogs Neighbourhood Plan against relevant provisions of the TCPA 1990 and the 2012 Regulations. As a result, officers are satisfied that the Isle of Dogs Neighbourhood Plan accords with relevant legislative requirements. It is therefore recommended that the submission should proceed to consultation and examination.

2 ALTERNATIVE OPTIONS

- 2.1 A LPA may decline to consider the NDP submission if it is a repeat submission, or refuse to take forward a NDP if it does not meet the requirements of the 2012 Regulations.
- 2.2 Where the LPA is satisfied that the submission meets the requirements of Schedule 4B paragraphs 5 and 6 and Regulation 18 section 61F of the TCPA

1990, the Submission must be approved. Where the LPA is not satisfied that the submission meets the said requirements, the LPA may either refuse to consider the plan or take forward the plan.

- 2.3 Officers consider that the Isle of Dogs Neighbourhood Plan meets the relevant legislative provisions and therefore should be publicised under Regulation 16 of the Neighbourhood Planning (General) Regulations 2012 and taken forward to Examination. As the submission accords with the statutory criteria, there is no alternative option.

3 DETAILS OF REPORT

3.1 This report provides an overview of the assessment of the Isle of Dogs Neighbourhood Plan Submission.

3.2 The content of this report is as follows:

- Section 4: provides an introduction to Neighbourhood Planning;
- Section 5: outlines the relevant legislative framework and guidance; and
- Section 6: provides a background to the Isle of Dogs Neighbourhood Plan submission and details of the LPA's assessment.

4 INTRODUCTION TO NEIGHBOURHOOD PLANNING: A COMMUNITY LED PROCESS

4.1 The Localism Act 2011 amended the TCPA 1990 to make provision for neighbourhood planning, which gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area. Neighbourhood planning provides a powerful set of tools for local people to ensure that they get the right types of development for their community where the ambition of the neighbourhood is aligned with the strategic needs and priorities of the wider local area.

4.2 The legislative provisions concerning neighbourhood planning within the TCPA 1990 are supplemented by the Neighbourhood Planning (General) Regulations 2012 (as amended by the Neighbourhood Planning (General) (Amendment) Regulations 2015) and the Neighbourhood Planning (Referendum) Regulations 2012.

4.3 Neighbourhood planning provides communities with the ability to prepare a NDP and/or NDO, in areas designated by the LPA on application as a neighbourhood area. Neighbourhood planning powers may only be exercised by bodies authorised by the legislation. In a neighbourhood area where there is a parish council, only a parish council may make proposals for a NDP or NDO. In neighbourhood areas without a parish council, only a body designated by the LPA as a neighbourhood forum may bring forward proposals for that neighbourhood area.

- 4.4 NDPs set out policies in relation to the development and use of land in all or part of a defined neighbourhood area and may include site allocations, or development principles, for allocated sites. They may also include character appraisals and seek to establish community facilities and/or identify areas for public realm improvements. NDOs allow for planning permission to be granted in the circumstances specified and exempt certain types of development, or development in certain areas, or on particular sites, from the usual requirement to apply to the LPA for a grant of planning permission.
- 4.5 Both NDPs and NDOs need to be in general conformity with the strategic policies of the Council's Development Plan: the Core Strategy (2010) and Managing Development Document (2013) and the London Plan (2016).
- 4.6 A NDP that has been 'made' in accordance with the relevant legislative provisions forms part of the Council's statutory 'Development Plan' (comprising the Local Plan and London Plan) and, as such, will be accorded full weight when determining planning applications in the neighbourhood area. NDPs will form a new spatial layer to the Council's planning policy and guidance.
- 4.7 NDP policies are developed by a neighbourhood forum through consultation with stakeholders in their relevant neighbourhood area and through engagement with Council Officers. Proposed NDP policies must be supported by an up-to-date evidence base to ensure that they are reasonable, sound and justified. Before the NDP is 'made' it must be subject to pre-submission publicity and consultation, submitted to the LPA for a legal compliance check, publicised for consultation, submitted for independent examination, found by the independent examiner to meet the basic conditions specified in the legislation, and passed at a referendum. However, following the Neighbourhood Planning Act (2016), a NDP must be given weight in determining planning applications, once it has passed examination.

Community Infrastructure Levy

- 4.8 The Community Infrastructure Levy Regulations 2010, as amended by the Community Infrastructure Levy (Amendment) Regulations 2013 ("the CIL Regulations") were supplemented by the Community Infrastructure Levy Guidance Note, published by DCLG on 26 April 2013. The 2013 guidance was replaced by the Government's PPG on 6 March 2014.
- 4.9 The CIL Regulations, as explained by the PPG, make provision for how CIL receipts may be used in relation to neighbourhood planning in those areas which have Parish Councils and those which do not. Tower Hamlets currently does not have any Parish Councils and, as such, the Council retains the revenue generated by CIL.
- 4.10 The Community Infrastructure Levy PPG (Ref ID: 25) states (at paragraph 072) that:

"... In England, communities that draw up a neighbourhood plan or neighbourhood development order (including a community right to build

order), and secure the consent of local people in a referendum, will benefit from 25 per cent of the levy revenues arising from the development that takes place in their area. This amount will not be subject to an annual limit. ..."

- 4.11 Therefore, where a NDP or NDO has been adopted, the Council is required to consult with the local community as to how this 25 per cent proportion of CIL receipts will be spent. Irrespective of this regulation, the Cabinet in December 2016, agreed to undertake this for all areas of the borough whether or not an NDP or NDO has been adopted.

5 NEIGHBOURHOOD DEVELOPMENT PLANS: RELEVANT LEGISLATION AND GUIDANCE

- 5.1 This section outlines the relevant legislative framework and guidance as they relate to the submission and consideration of NDPs.

Submitting the Neighbourhood Development Plan

- 5.2 In accordance with Regulation 15 of 2012 Regulations where a relevant body submits a NDP to the LPA it must include:

- (a) the proposed Neighbourhood Development Plan;
- (b) a map or statement which identifies the area covered by the Neighbourhood Plan;
- (c) a 'Consultation Statement' that contains details of who was consulted on the draft Neighbourhood Plan, how they were consulted, the main issues and concerns raised, and how these have been addressed in the Neighbourhood Plan;
- (d) a 'Basic Conditions Statement'. that sets out how the Plan meets the 'basic conditions'. These being:
 - i. it has regard to national policies and advice;
 - ii. it has special regard to the desirability of preserving any listed building or its setting or any features of special architectural or historic interest that it possesses;
 - iii. it has special regard to the desirability of preserving or enhancing the character or appearance of any conservation area;
 - iv. it contributes to the achievement of sustainable development;
 - v. it is in general conformity with the strategic policies contained in the development plan for the area of the authority; and
 - vi. and that the making of the order does not breach, and is otherwise compatible with, EU obligations. And,

(e) where appropriate, the information to enable appropriate environmental assessments if required.

5.3 A LPA may decline to consider a plan proposal if they consider it to be a repeat proposal (TCPA 1990 Schedule 4B Paragraph 5). If an LPA declines to consider a plan on this basis it must inform the forum of this decision.

Considering the submission

5.4 In accordance with the TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Section 38B(1), (2) and (4), the LPA must consider the following:

(a) whether the neighbourhood forum is authorised to act; and

(b) whether the proposal and accompanying documents:

i. comply with the rules for submission to the LPA (see 5.3 above); and

ii. meet the 'definition of an NDP': "A plan which sets out policies (however expressed) in relation to the development and use of land in the whole or any part of a particular neighbourhood area specified in the plan"; and

iii. meet the 'scope of NDP provisions':

1. The NDP must specify the period for which it is to have effect; and

2. It cannot include provision about development that is 'excluded development' (as defined by paragraph 61K of schedule 9 of the TCPA 1990) such as minerals and waste matters or Nationally Significant Infrastructure Projects; and

3. It cannot relate to more than one neighbourhood area and there are no other neighbourhood development plans in place that cover any part of the neighbourhood area. And

(c) whether the neighbourhood forum has undertaken the correct procedures in relation to consultation and publicity (outlined in Regulation 14 of the 2012 Regulations). These state that before submission to the LPA the qualifying body should:

1. publicise (but this does not have to be on a web site) in a way that is likely to bring to the attention of people who live work or carry on business in the area details of :

a. the proposals,

b. when and where they can be inspected,

c. how to make representations, and

- d. the deadline for making representations – not less than 6 weeks from first publicised
 2. consult any consultation body listed in The Neighbourhood Planning (General) Regulations 2012 Schedule 1 whose interests they consider may be affected by the proposals for a NDP; and
 3. send a copy of the NDP to the LPA.
- 5.5 In accordance with paragraph 6 of schedule 4B of the TCPA 1990, the LPA can refuse to take forward a plan proposal if any of the criteria above do not apply.
- 5.6 The LPA must notify the forum whether or not they are satisfied that the proposal complies with the criteria for a NDP. Where it is not satisfied the LPA can refuse and must notify them of the reasons. It must also publicise its decision in a 'decision notice' (Regulation 19 of the 2012 Regulations).
- 5.7 The legislation and regulations are clear that when a draft NDP is submitted to a LPA the authority is only considering the draft plan against the statutory requirements set out in paragraph 6 of Schedule 4B of the TCPA 1990. In particular, the LPA has to be satisfied that a basic condition statement has been submitted but it is not required to consider whether the draft plan meets the basic conditions. It is only after the independent examination has taken place and after the examiner's report has been received that the LPA comes to its formal view on whether the draft NDP meets the basic conditions (Planning Practice Guidance Neighbourhood Planning Paragraph 53).

6 NEIGHBOURHOOD DEVELOPMENT PLAN: ISLE OF DOGS SUBMISSION

- 6.1 This section provides a background to the Isle of Dogs Neighbourhood Development Plan submission and details of the assessment. The format of this section outlines how the Isle of Dogs Neighbourhood Development Plan was assessed in relation to the criteria that an LPA must have regard to (as outlined in section 5 above).

Neighbourhood Development Plan Submission

- 6.2 The Isle of Dogs Neighbourhood Forum submitted four documents to the London Borough of Tower Hamlets on the 25th October 2017. These were:
 - The draft Neighbourhood Development Plan (appendix 1)
 - The Consultation Statement (appendix 2)
 - Consultation Statement Appendix (appendix 3)
 - The Basic Conditions Statement (appendix 4)
- 6.3 Following an initial review by the LPA, further information regarding consultation and basic conditions were requested and an updated Basic

Conditions Statement and Consultation Statement were received on the 9th of November 2017.

- 6.4 The final versions of these four documents are appended to this report and form the basis of the assessment of the submission.

Considering the Submission

- 6.5 This section of the report summarises the assessment of the submission against the requirements outlined in the legislation and regulations (as summarised in section 5).

- 6.6 A more exhaustive compliance checklist is provided in appendix 5.

In accordance with TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Schedule 38B, Paragraphs 1, 2 and 4, is the neighbourhood forum authorised to act?

- 6.7 The Isle of Dogs Neighbourhood Area and Neighbourhood Forum were designated by Tower Hamlets Council on 5th April 2016, with the decision notice published on the 19th April 2016. The designation process followed the required statutory procedures and as such the neighbourhood forum is authorised to act.

In accordance with TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Schedule 38B, Paragraphs 1, 2 and 4, did the proposal and accompanying documents comply with the rules for submission to the LPA (see 5.3 above)?

- 6.8 Documents received by Tower Hamlets Council on 25th October 2017 and 9th November 2017 included a map of the area the plan relates to (within the Basic Conditions Statement); a Consultation Statement which covered the required points; the proposed NDP; the Basic Conditions Statement which covers the issues required; and included reference to the Strategic Environment Assessment Screening Opinion Report and Decision given on 31st July 2017 which concluded that a Strategic Environment Assessment (SEA) and a Habitat Regulations Assessment were not required.

In accordance with TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Schedule 38B, Paragraphs 1, 2 and 4, did the submitted draft NDP meet the 'definition of an NDP'?

- 6.9 An NDP is defined as “a plan which sets out policies (however expressed) in relation to the development and use of land in the whole or any part of a particular neighbourhood area specified in the plan” PCPA 2004 (as amended). While the Plan does contain a number of issues which do not relate to development and use of land, the Plan does on balance meet the definition in that it mostly relates to the development and use of land.

In accordance with TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Schedule 38B, Paragraphs 1, 2 and 4, did the submitted documents meet the 'scope of NDP provisions'?

- 6.10 The plan period of 2017 – 2031 is specified in the submitted Neighbourhood Plan and in the Basic Conditions Statement. The Plan does not include provision regarding ‘excluded development’. The Plan relates only to one neighbourhood area (the Isle of Dogs Neighbourhood Area) as designated and there are no other NDP in place for that area.

In accordance with TCPA 1990 Schedule 4B Paragraph 6 and PCPA 2004 Schedule 38B, Paragraphs 1, 2 and 4, whether the neighbourhood forum has undertaken the correct procedures in relation to consultation and publicity?

- 6.11 The Isle of Dogs Neighbourhood Forum ran a public consultation from 8th March 2017 to 19th April 2017 but the Consultation Statement states that the consultation period was not formally closed and they continued to receive and include comments after the formal end date. Hard copies of the draft Isle of Dogs Neighbourhood Plan were available to view at the Canary Wharf Idea Store and 5 drop in events were held during the consultation period. The documents were also available to download from the Isle of Dogs Neighbourhood Forum website and a link was provided on the Tower Hamlets Council website. The plan was sent to all the Consultation Bodies listed in Schedule 1 of the 2012 Regulations the Forum considered may be affected by the proposals. A copy of the draft Isle of Dogs Neighbourhood Plan was sent to LPA by email.

Conclusion

- 6.12 As outlined above and in appendix 5, the submission made by the Isle of Dogs Neighbourhood Forum on the 25th of October and 9th of November 2017 is considered to comply with the required criteria and legislation and should therefore proceed to consultation and examination.
- 6.13 Whilst it is not the LPA’s role at this stage to carry out the basic conditions test, it should be noted that this report seeks approval to proceed to the final public consultation on the draft Plan. There will therefore be an opportunity for Tower Hamlets Council as well as other key stakeholders, landowners, developers as well as the local community to make representations on the draft Plan which will then be considered by an independent examiner.

7 NEXT STEPS

- 7.1 If Cabinet agree that the submission has met the required criteria, the Council is responsible for publicising the draft Isle of Dogs Neighbourhood Plan and arranging for the independent examination to take place.
- 7.2 The consultation will be carried out for 6 weeks, starting on the 4th of January 2018 and finishing on the 15th of February 2018. This timing is required so that the start date coincides with the publication of the public notice. The Plan will be publicised on the Council’s website and details will be emailed to the planning policy consultation database and to any consultation bodies referred to in the submitted Consultation Statement. The documents will be available in hard copy at the Town Hall, Idea Store Canary Wharf and Cubitt Town Library.

- 7.3 It is also the LPA's responsibility to organise and cover the costs of the independent examination and referendum. The examiner will be appointed by the local authority with the consent of the Neighbourhood Forum. The LPA will provide the examiner with all documentation submitted by the Forum and all consultation responses received during the consultation.

8 COMMENTS OF THE CHIEF FINANCE OFFICER

- 8.1 Following the establishment by the Mayor in Cabinet on 5th April 2016, of the Isle of Dogs as a Neighbourhood Planning Area in accordance with the statutory requirements of the Localism Act 2011, the Isle of Dogs Neighbourhood Planning Forum has now submitted a draft Isle of Dogs Neighbourhood Plan for review and subsequent public consultation.
- 8.2 The Council has a duty to provide support and advice to Area Forums which will incur additional administration costs. These costs, including the expenditure associated with the public consultation process and the subsequent examination of the Neighbourhood Plan, must be contained within existing budgets. Funding has historically been made available by the DCLG to assist with these costs, subject to an annual maximum sum dependent upon the number of determinations within the particular financial year. Since 1st April 2016 however, the funding arrangements have been changed so that they are no longer year specific. Local planning authorities are able to claim £5,000 for each of the first five area designations that it makes, with a further £5,000 for each of the first five forum designations. As a consequence, the Council has received £10,000 towards the costs of the Isle of Dogs Planning Area and Forum.
- 8.3 An element of any Community Infrastructure Levy (CIL) that is generated within a Neighbourhood Planning Area can be allocated specifically to support development within that same area, depending on the status of the Neighbourhood Planning Forum. The appropriate conditions are set out in paragraphs 4.8 to 4.11 of this report. The level of these resources could be substantial and will need to be taken into consideration when determining the allocation of other funding streams across the borough in conjunction with the Council's capital strategy.
- 8.4 In certain circumstances Neighbourhood Development Orders would exempt certain types of development, or development on a particular site, from requiring planning permission (paragraph 4.4). If this is the case, the Authority will not receive a planning fee, although it will also not incur the costs of processing and determining the application. It is anticipated that the exemption will only relate to a limited number of smaller developments, so any reduction in planning fee income should be relatively minor, however the impact must be closely monitored once the new system is in place.

9 LEGAL COMMENTS

- 9.1 Neighbourhood planning is part of the Government's initiative to empower local communities to bring forward planning proposals at a local level, as outlined in Section 116 of the Localism Act 2011. That Act (which amended the TCPA 1990 to make provision for neighbourhood planning), the PCPA 2004 and the subsequent 2012 Regulations confer specific functions on an LPA in relation to neighbourhood planning.
- 9.2 Together this legislation sets out what must be included with the submission of a NDP, and the matters which the Council must consider in reaching a view whether a NDP should proceed to publication. These requirements (primarily set out in Regulation 15 of the 2012 Regulations, Section 38B of the PCPA 2004 and paragraph 6 of Schedule 4B of the TCPA 1990) are set out in substantial detail in Section 5 of this report and as such are not duplicated here.
- 9.3 A thorough analysis of the draft NDP's compliance with each requirement is set out in Appendix 5 to this report. Officers have demonstrated that they have had proper regard to the legislative requirements in recommending that the Council moves forward to publicise the draft NDP in accordance with Regulation 16. It is noted that a minimum period of 6 weeks must be allowed for representations to be made.
- 9.4 Pursuant to section 9D of the Local Government Act 2000 all functions of an authority are executive functions unless they are specified as not in either the 2000 Act or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended). Whilst some Planning functions cannot be the responsibility of the Executive, the decision whether a neighbourhood plan meets the necessary requirements in order for it to proceed to publication is not a specified function. This is therefore a decision for the Executive.
- 9.5 If made, the neighbourhood plan will, along with the London Plan and the Local Plan, form the Council's development plan. Together these documents are the key planning policy against which planning applications and permissions in principle will be assessed. Where regard is to be had to the development plan for the purpose of any determination under the planning acts, it is a statutory requirement for the determination to be made in accordance with the development plan unless material considerations indicate otherwise. A neighbourhood development plan will also form part of the development plan immediately following a referendum, when more than 50% of votes have been in favour of it. This is unless the Council decides that the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights.
- 9.6 Following regulation 16 publication, the LPA must appoint an independent examiner in accordance with Paragraph 7 of Schedule 4B of the TCPA 1990. There is a requirement for this to be with the consent of the Isle of Dogs Neighbourhood Forum.

- 9.7 The examiner must consider whether or not the Neighbourhood Plan meets the basic conditions, and other matters set out in paragraph 8 of Schedule 4B to the TCPA 1990. Following the examination, the examiner will produce a report recommending whether the Neighbourhood Plan should go to a referendum (with or without modifications).
- 9.8 Once the Council have received the Examiner's report, the LPA must consider the Examiner's recommendations and decide whether the Plan (with or without modification) meets the statutory requirements. If it does, the Council must make arrangements for the necessary referendum(s) to take place.
- 9.9 After a referendum has taken place, a local planning authority must make a NDP to which the proposal relates, if in each applicable referendum more than half of those voting, have voted in favour of the plan. This is unless the Council considers that the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights.
- 9.10 When making decisions on a NDP the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.
- 9.11 The Neighbourhood Forum undertook an Equalities Impact Assessment of the draft NDP. This has been reviewed by officers and an Equality Analysis Quality Assurance Checklist completed, which concludes that the plan does not appear to have any adverse effects on people who share protected characteristics and no further actions are recommended at this stage. This conclusion should be reviewed following the publication period, as the plan moves forward to the examination stage.

10 ONE TOWER HAMLETS CONSIDERATIONS

- 10.1 The NDP must be accompanied by a Basic Conditions Statement (for examination), which includes the need to assess whether the Plan is compatible with the Human Rights Act and other relevant National and European obligations. In discussion with the LPA the Neighbourhood Forum also undertook an Equalities Impact Assessment of the draft Isle of Dogs Neighbourhood Plan. This is included in the Basic Conditions Statement.
- 10.2 Council officers have also undertaken a review to ensure the protected characteristics outlined in the Equalities Act 2010 have been considered using the Council's Equality Analysis Quality Assurance Checklist (see appendix 6) and it has been considered that no further action needs to be taken at this stage.

11 BEST VALUE (BV) IMPLICATIONS

- 11.1 Under Section 3 Local Government Act 1999 the Council 'must 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'.
- 11.2 During the determination of the submission the Council has worked with the relevant forum where appropriate, having regard to economy efficiency and effectiveness, and in conformity with statutory requirements as detailed in the relevant legislation.
- 11.3 Developing a NDP adds an additional layer of detail to the Council's Development Plan and steers the future development of land in the relevant area. This will better allow the existing and future community to contribute to economic, environmental and social improvements in their area and benefit from the resultant development.

12 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 12.1 The Isle of Dogs Neighbourhood Plan has been subject to a screening assessment under the Strategic Environmental Assessment (SEA) Regulations and Conservation of habitats and Species Regulations. This is required in order meet the basic conditions and is a legal obligation (see above). This assessment deemed that neither a SEA nor a HRA was not required.

13 RISK MANAGEMENT IMPLICATIONS

- 13.1 The recommendations have been reported through a number of internal groups that consider risk management issues and mitigation.

14 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 14.1 Determining Neighbourhood Planning Forums and Areas applications does not have any discernable impacts on crime and disorder.

15 SAFEGUARDING IMPLICATIONS

- 15.1 There are no specific safeguarding implications associated with this report.

Linked Reports, Appendices and Background Documents

Linked Report

- Isle of Dogs Neighbourhood Planning Forum application report to Cabinet on 5th April 2016
- Isle of Dogs Neighbourhood Planning Area application report to Cabinet on 5th April 2016

Appendices

1. Appendix 1: Draft Isle of Dogs Neighbourhood Development Plan
2. Appendix 2: Consultation Statement
3. Appendix 3: Consultation Statement Appendix
4. Appendix 4: Basic Conditions Statement
5. Appendix 5: Legal Compliance Checklist
6. Appendix 6: Equality Analysis Quality Assurance Checklist

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

- NONE

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<p>Cabinet</p> <p>19 December, 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Blackwall Reach Regeneration: New Charitable Trust & CPO Resolution</p>	

Lead Member	Councillor Rachel Blake, Cabinet Member for Housing and Development
Originating Officer(s)	Niall McGowan – Housing Regeneration Manager
Wards affected	Poplar Ward
Key Decision?	Yes
Community Plan Theme	A Great Place to Live

1 EXECUTIVE SUMMARY

1.1 This report:

1.1.1 updates the Mayor on progress being made in delivery of the Blackwall Reach Regeneration scheme and seeks authority to proceed with the next steps required, including the setting-up of a new Blackwall Trust that will oversee the new central park and invest in community initiatives; and

1.1.2 seeks authority to make a new Compulsory Purchase Order to acquire the part of the existing Millennium Green which is not yet in the council's ownership, to enable it to be preserved as open space and landscaped, maintained and improved for inclusion in the new central park.

2 RECOMMENDATIONS

In respect to the Blackwall Trust, the Mayor in Cabinet is recommended to:

- 2.1 Agree to establish the Blackwall Trust, a charitable company limited by guarantee, and delegate to the Corporate Director of Place, after consultation with the Corporate Director of Governance and Monitoring Officer, the power to take all necessary steps for this purpose including, but not limited to, approving the name of the Trust, governance documents (including the memorandum of association, articles of association and objects), submitting documents and making necessary applications/registrations with Companies House, the Charity Commission, and HMRC.

- 2.2 Authorise the Corporate Director, Place, to nominate up to 2 officers to be appointed as directors and trustees of the company on behalf of the Council, subject to any restriction on local authority control which will be determined once the final structure is confirmed.
- 2.3 Authorise the Corporate Director of Governance and Monitoring Officer to execute any agreements or documents required to give effect to recommendation 2.1 and 2.2.
- 2.4 Authorise the Corporate Director of Place to finalise and grant a 250 year lease of the Millennium Green to the new Blackwall Trust, to be retained as open space, subject to consideration being given to any objections made following advertisement of the intended disposal in accordance with section 123(2A) of the Local Government Act 1972.
- 2.5 Authorise the Corporate Director of Place to transfer to the Blackwall Trust any funds the council has received from Swan Housing Association Limited and which are being held on trust for the Trust.

In respect to the Millennium Green Compulsory Purchase Order, the Mayor in Cabinet is recommended to:

- 2.6 Agree the making, confirming and implementation of a Compulsory Purchase Order under section 226(1)(a) of the Town and Country Planning Act 1990 to acquire plots 61, 71 and 74 (as shown in the map in Appendix 1) which are located within the residual Robin Hood Millennium Green, and currently in the ownership of the Robin Hood Millennium Green Trust, in order to secure its preservation and improve its management.
- 2.7 Note that the Council has made (and will continue to make) a concerted effort to negotiate the acquisition of the Millennium Green land with its Trustees, but that to date these negotiations have proven unsuccessful.
- 2.8 Determine that the use of CPO powers is justified after balancing the rights of the land owners with the need to secure the preservation and improvement of the open space.
- 2.9 Determine that the interference with the human rights of the property owners affected by these proposals, and in particular their rights to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation (where applicable), and the benefit to the economic, social and environmental well-being of the areas of Tower Hamlets affected by these proposals.
- 2.10 Authorise the Corporate Director of Place to take all necessary steps to implement recommendation 2.6 including but not limited to:
- 2.10.1 Acquiring the land interests identified in the map at Appendix 1, either by private treaty or compulsorily.

- 2.10.2 Appointing land referencing agents, making the CPO, publication and service of any press, site and individual notices and other correspondence for such making.
- 2.10.3 To apply for a certificate under section 19(1)(aa) of the Land Acquisition Act 1981 to the Secretary of State or, if no certificate is granted, to pursue the compulsory acquisition through the special parliamentary procedure.
- 2.10.4 Seeking confirmation of the CPO by the Secretary of State (or, if permitted, by the Council under any permission or power conferred by the Secretary of State), including the preparation and presentation of the Council's case at any Public Inquiry which may be necessary.
- 2.10.5 Publication and service of notices of confirmation of the CPO and thereafter to execute and serve any General Vesting Declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests within the area identified in the plan at Appendix 1;
- 2.10.6 Issuing of General Vesting Declarations or Notices to Treat in respect of the land/interests identified in the map at Appendix 1.
- 2.10.7 Referral and conduct of disputes, relating to compulsory purchase compensation at the Upper Tribunal (Lands Chamber), where applicable.

3 REASONS FOR THE DECISIONS

- 3.1 The Council in delivering its regeneration programme at Blackwall Reach is committed to preserving and improving the large central green space as a park for use and enjoyment by future generations of residents. This commitment was made to residents, and is also contractual in terms of the development agreement and undertakings made to Natural England, the successor body to the Countryside Agency that established the existing open space as a Millennium Green in 2001.
- 3.2 The Council has also undertaken to broaden the regeneration benefits for the expanding local community by establishing a new charitable body with a dual role:
- 3.2.1 to oversee the new park as its leasehold custodian, ensuring it is preserved as open space in perpetuity and is properly managed and maintained;
- 3.2.2 to help fund initiatives to improve the lives of local people, long after the physical transformation of the areas is complete.
- 3.3 The decisions requested are necessary to achieve these commitments:

- firstly to set up the required charitable Blackwall Trust to be constituted as a company limited by guarantee; and
- secondly to support by compulsory purchase the acquisition of part of the existing open space which the Council does not yet own, to ensure it can be re-landscaped for continued inclusion in the central park for which the new Blackwall Trust will hold the lease.

4 ALTERNATIVE OPTIONS

4.1 The variant options are: not to proceed at all with one or both proposals; or to delay making a decision to proceed. Both proposals are however integral to the delivery of the Blackwall Reach regeneration.

4.2 The consequence of a decision not to proceed, or of a delay in making a decision on either of these matters, would risk achieving a less comprehensive approach to the overall regeneration and could jeopardise the renewal and future management of the green space in a cogent way. Critically it would put the Council in a position where it is unable to deliver the whole site for assembly, in accordance with its obligations under contractual arrangements it has entered into with its development partners.

4.3 Setting up a new “Blackwall Trust”

The Council is contractually required to set up the new Blackwall Trust, via its Principal Development Agreement (PDA) with the Greater London Authority (GLA) and Swan Housing Association (Swan), who are the Council’s partners in the regeneration of Blackwall Reach. This PDA was entered into pursuant to a decision of the Mayor in Cabinet on 9th February 2011. The Council has also given an undertaking to Natural England to set up the Trust within a specific timescale and has made various commitments in respect to the ownership and management of the open space and the governance of the Trust in order to guarantee the preservation and maintenance of the land in perpetuity. This undertaking was given in 2013 in order to secure Natural England’s removal of their objection to the London Borough of Tower Hamlets (Blackwall Reach) CPO 2013.

4.4 The vesting by the Council of the western section of the existing Millennium Green in May 2017, following confirmation of an earlier CPO (see paras 5.3.2 – 5.3.3), has triggered a timeline for the Council to establish the new Blackwall Trust within 2 years, or be at risk of having to repay Natural England the £38,000 grant with which it originally established the current Millennium Green. The PDA also requires the Council to establish the Trust “as soon as reasonably practicable”.

4.5 It is logical to set up the Trust now because Swan has paid to the Council the first of 4 tranche payments of £250,000 for the Trust’s operations and, whilst the new central park will not be completed immediately, the Trust, once established, can commence its wider work for the benefit of the expanding local community as described in paras 9.2 – 9.4 below of the report. Any delay in

establishing the Trust would delay the provision of this wider regeneration benefit.

4.6 **Need for the Proposed CPO**

The present owner of the open space to be acquired is Robin Hood Millennium Green Trust ("MGT"), which was established to own (freehold) and manage a newly created Millennium Green in 2001. As the report explains the MGT is not in a position to maintain its existing land holding; nor could it deliver and then maintain the necessary improvements as part of the overall renewal of the existing green.

4.7 To enable Swan to carry out the essential landscaping improvements to this central open space area and so that the Council can grant a lease to the Blackwall Trust to guarantee its retention as open space and to ensure its on-going management, the Council is contractually required to acquire the land for which the CPO is to be made. The provision of the new Trust and the proposed CPO, as set out in the report, are necessary steps to deliver the Council's existing commitments.

4.8 Similarly, in the event that negotiations with the Millennium Green Trust fail or do not proceed in a timely fashion, the Council must make the CPO in order to complete its acquisition of the entire Millennium Green as it will need to vest other residual plots of land in the eastern section of the green, for which the Council already has the appropriate consents (to re-landscape / improve management), by December 2018.

4.9 Without a CPO for the three plots of land identified the Council would not be able to assemble the whole green and thus would be unable to:

- fulfil its pre-existing obligations as set out above and explained in the report;
- ensure the comprehensive renewal of the entire existing green, or its future retention as a single open space via a lease to the new Trust;
- enable future cogent management and maintenance of the whole renewed green.

4.10 In such a scenario the Council would have no right to enter onto the green nor to grant a lease of it to the Blackwall Trust, which would mean the regeneration work would remain incomplete. Future management arrangements would be unnecessarily complicated due to the dual ownership of the open space, particularly as the existing Millennium Green Trust accepts that it cannot maintain its existing land holding.

5 BACKGROUND

5.1 Blackwall Reach Project Partnership

- 5.1.1 Blackwall Reach Regeneration is a flagship Council scheme, comprising eight hectares of homes, former and existing business sites and open space, located between Cotton Street, Aspen Way, the Blackwall Tunnel Approach and East India Dock Road in E14. The project sites are clustered around the Council's Robin Hood Gardens (RHG) Estate in Poplar Ward, in an area that was ranked in the top 2% most deprived in England, in 2010.
- 5.1.2 The project is a long-term partnership between the Council and GLA, combining their adjoining land holdings and funding the enabling stages, including ongoing land assembly, to comprehensively transform a wider area than would have been possible acting alone. This has enabled delivery of significant numbers of new homes of all tenures. Swan Housing Association was appointed following a competitive procurement exercise in 2011 to deliver the partners' outline scheme in 5 phases: 1A, 1B, 2, 3 and 4. All the partners are joint signatories to a Principal Development Agreement (PDA), under which each party has specific responsibilities.
- 5.1.3 The scheme is a priority for the Council, to improve the lives of existing residents - many of whom are taking up an "option to remain" - and to create new housing opportunities in a modern and sustainable setting. The regeneration brings in cross-sector resources of more than £430 million to build c.1,575 new homes including:
- 679 affordable homes (51% by habitable rooms)
 - of which 561 (an increase of nearly 300%) are for rent by existing relocating tenants and other registered local applicants, all at social rents.
- 5.1.4 These replace the original 207 rented and 45 privately owned homes at Robin Hood Gardens. The scheme also increases and improves open space and play space provision, creates new community facilities and generates funding, for example to expand the local Woolmore Primary School, now completed.
- 5.1.5 Contributions from ground rents plus a phased payment of £1 million from Swan Housing Association as developer will support a new "Blackwall Trust". The Trust will have dual roles to:
- oversee the new central park under a long-term lease from the Council and
 - sponsor and develop community initiatives for years to come.

5.2 Blackwall Reach - Scheme Progress

- 5.2.1 A full update on the project, including its finances and the outcome of the Council's CPO process, was provided to the Mayor in Cabinet on 26th July 2016. The scheme is well underway. Phase 1A was completed by Swan in the north-west corner of the site in 2015, providing 98 new homes for social rent and shared ownership, primarily for decanting existing Council tenants and resident home owners from RHG. Swan's new community centre opened in 2016 and the new 3-form entry Woolmore School has also been completed, extending across an enlarged site acquired using Council capital resources, providing places for the much larger Blackwall Reach community as future scheme phases are delivered.
- 5.2.2 Further Building Agreements and lease have been entered into between the partners. Swan is progressing well with the construction of 242 new homes on the Phase 1B site in the south-west corner of the scheme area and has obtained planning approvals to commence Phase 2, incorporating the western blocks of Robin Hood Gardens, and neighbouring Anderson House. The Phase 2 site is hoarded off and demolition work has started, which will continue into 2018. This site is bringing forward 268 new homes, including 114 affordable dwellings that will provide new homes for the remaining residents on the estate who have chosen to stay in the area. Council and GLA officers joined Swan earlier this year as Swan selected architects for Phase 3 of the project (the eastern part of the estate), and Swan will submit designs for planning consideration for an envisaged start on Phase 3 by 2019/20.

5.3 Land Assembly

- 5.3.1 As reported previously the Council and GLA have been engaged in land assembly, particularly to facilitate Phases 1 - 3 of the scheme, including the purchase of sites and properties within their respective freehold areas. To date some 179 tenants have been decanted, including those moving within the regeneration area, and 27 await decant from Phase 3. Of the 45 original home-owners, 39 have sold their properties to the Council, including those moving within the scheme, and 6 remain in Phase 3, including 3 awaiting a new home when Phase 2 is completed.
- 5.3.2 An area-wide (2013) CPO was confirmed for Phases 1 – 3 by The Secretary of State for Communities and Local Government in 2015, including specific approval for the acquisition of the open space that was in the freehold ownership of the Robin Hood Millennium Green Trust. Negotiations with MGT to date for the voluntary disposal of their land interest are summarised in para 6.9.3.
- 5.3.3 Phase 2, including the western section of the existing central open space (Robin Hood Millennium Green) was vested in May 2017, following confirmation of the 2013 CPO. Vesting of the eastern section

of the open space within the Phase 3 area is outstanding and remains necessary. However a further CPO is now required on the basis that the reasons under which the 2013 CPO was originally granted, in respect to parts of the eastern section, have changed: this is because Swan's approved designs for Phase 2 of the project will now retain the renewed central green within its *existing* boundaries, rather than reconfiguring and reshaping the green in order to build on part of it.

- 5.3.4 The vesting of the western section of the Millennium Green following the confirmed CPO has also triggered a 2 year timeline for the Council to establish the new Blackwall Trust. Setting up the Trust is required under the PDA and also under a separate undertaking to Natural England, which retains an interest in the area as the historic funder (lottery monies) of the Robin Hood Millennium Green at its inception. Natural England withdrew its objections to the Council's 2013 CPO on certain conditions, including the Council entering into the undertaking.

5.4 Robin Hood Millennium Green

- 5.4.1 The central green amenity area between the two main Robin Hood Gardens Estate buildings was in Council ownership until it became a Millennium Green in 1999 - 2001, under the national Millennium Green initiative. On 15 June 2001, the Council transferred its freehold land to Robin Hood Millennium Green Trust (MGT) for £1, with a covenant requiring that:

- 1) MGT maintains and manages the property in good order suitable for use as a park/open space.
- 2) MGT uses the open park/space for general public at all times; and
- 3) if it ceases to be used as a park or the Trust desires to sell it then the Council has an option to reacquire it.

- 5.4.2 The existing Millennium Green is a large grassed expanse with tree planting and a high knoll in the middle. During master-planning the Council identified that the green is not landscaped or laid out to the modern standards of an urban park within a high-density urban area. It will need substantial improvements by Swan to be suitable for the larger community in the new development, which will have a higher number of family dwellings. The green is recognised however as a valued amenity for existing residents, including those who are opting to stay in the area and its improvement has been central to the regeneration proposals. The initial proposal had been to reconfigure the green but Swan's approved designs for Phase 2 will now improve and preserve the green within its existing boundaries.

- 5.4.3 The Trust Deed for the Robin Hood Millennium Green sets out the key provisions, being that the "Millennium Green will be used forever for inhabitants for informal recreation play and leisure". It also goes on to quote a "statement of aims" which states that "...it should be able to be enjoyed by people of all ages and abilities, be open and evident to the

locality as well as inhabitants, be an attractive place to take air and exercise and include an area for suitable community events and celebrations and natural areas". The improvements to the green within the regeneration scheme will uphold these principles and the steps proposed in the report will help to achieve this.

- 5.4.4 Initial funding of £38,000 from the National Lottery Fund enabled some improvements works to be carried out to the newly formed Millennium Green, which included tree and shrub planting and the installation of public art features such as a sundial mosaic. Responsibility for maintenance lies with MGT, either by means of fund-raising by the Trustees amongst the local community or by reaching formal agreement with the Council. It is understood that no such arrangement was sought by MGT, which remains legally responsible for - but unable to pay for or deliver - maintenance of the green.
- 5.4.5 As explained in paras. 5.3.2 – 5.3.4 above and in Section 6 below, the Council has now confirmed its 2013 CPO and has vested and taken back ownership of the western section of the Millennium Green. Tower Hamlets Homes is maintaining this whilst still permitting access to MGT to run community events should it so wish. This will be licensed to Swan in due course to carry out the first part of its central park renewal, after which the new green will be restored to its existing boundaries.

6 JUSTIFICATION FOR A CPO

- 6.1 The Council has previously made CPOs to support its own, or its Registered Provider (RP) partners' regeneration projects. The need for this provision arises where acquisition of land interests is necessary to fulfil commitments to deliver new affordable homes and/or to achieve wider regeneration benefits, such as the provision of related infrastructure or community facilities.
- 6.2 In respect of Blackwall Reach the Council has successfully confirmed its 2013 CPO across the Robin Hood Gardens Estate, as reported to the Mayor last year, which includes Phases 2 and 3 of the scheme. As part of the CPO process specific consents were applied for and granted by the Secretary of State (DCLG) to enable the Council's acquisition of the Millennium Green - an area of approximately 7,398 sq metres.
- 6.3 A new CPO is required however because the scheme design in relation to the central open space has changed and different powers must now be used to ensure the acquisition of three specific plots of land which are to be retained as open space. The new CPO is necessary to facilitate the eastern part of the Millennium Green on the basis that the reasons under which the CPO was originally granted, in respect to the eastern section, have changed: Swan's approved designs now retain the enhanced central green - the new park - within boundaries which are contiguous with those of the existing Millennium Green, rather than reconfiguring the green in order to build on part of it as originally envisaged.

- 6.4 Appendix 1 shows how the 2013 CPO has to date been applied to specific plots within the existing Millennium Green. This was done using powers under section 226(1)(a) and 226(3)(b) of the Town and Country Planning Act 1990 and the Secretary of State granting certificates to the Council to acquire the open space as follows:
- 6.4.1 Section 19(1)(aa) was used for land that is to be retained and re-landscaped as open space but needs improvements to management arrangements i.e. the entire western section of the green (plot 59) and part of the eastern section of the green (plots 60,62 and 70) – this equates to around 5,338 sq metres;
- 6.4.2 Section 19(1)(a) was used where construction and some reconfiguration of the existing green’s boundaries had been envisaged at the time the application was made i.e. solely in the eastern section (plots 61, 71 and 74) – this equates to an area of 2,060 sq metres.
- 6.5 The Council duly vested the western section of the green (plot 59) in May 2017 and is registering its freehold ownership. The eastern section of the Millennium Green remains in the freehold ownership of MGT, which has no financial resources to improve or maintain it. MGT has asked the Council to step in to mow the grass, keep the area tidy and to generally maintain it, because it cannot do so.
- 6.6 Because Swan’s approved scheme designs now keep the existing boundaries of the whole green intact it is not necessary for the Council to acquire any plots for construction purposes. The Council can use its compulsory powers through the existing CPO up to December 2018 to acquire plots 60, 62 and 70 in the eastern section for landscaping and to improve their management. In total this means the Council either has acquired - or is authorised to compulsorily acquire - around 72% of the current Millennium Green area using the powers it has obtained which are still relevant in the context of the existing scheme.
- 6.7 However plots 61, 71 and 74 in the eastern section, which were originally to have been built on, must now be acquired either voluntarily or compulsorily for purposes which are different to those which are authorised by the existing CPO, namely the purposes of bringing the plots within the overall landscaping scheme for the remainder of the new park, and improving their on-going management. This means that in the event that ongoing negotiations with the Trustees of the Robin Hood Millennium Green Trust are unsuccessful, the Council must make a fresh CPO, pursuant to its power under 226(1)(a) of the Town and Country Planning Act 1990 as amended, the Council being satisfied that the proposed acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the Order Land. The Order Land equates to around 28% of the proposed new central park, so its acquisition is important if the Council is to enable comprehensive improvements to the central open space as a whole, to create the new park and implement its intended ownership and management structure to make it a success for the whole community.

6.8 Current Management of the Millennium Green

- 6.8.1 Given that the green is located in a central urban area with high levels of deprivation, the arrangements under which MGT was established as an essentially voluntary entity did not provide for adequate resources or secure income. Whilst its occasional community events and voluntary activities are acknowledged and appreciated, MGT accepts that it is simply not able to maintain the land it owns. The Trust is now largely moribund and although a number of Trustees remain technically registered, only a single Trustee remains involved in any practical way.
- 6.8.2 It is officers' understanding that historically there has not been much engagement and consultation by the trustees with local residents over the use, maintenance, layout and management of the open space. This is understandable as the Trust has not had, or actively sought the resources required, apart from at its inception, to make significant changes, or even to maintain the existing green as it is. Until the pre-CPO discussions flagged the Trust's limitations to maintain the land the trustees had not formally approached the Council to discuss options for the maintenance and management of this area.
- 6.8.3 Due to its limited resources, there has been little by way of active maintenance of the Millennium Green by the MGT. The Council is aware that there has been occasional tree pruning by Trees for London, evidently commissioned by the Millennium Green Trust. There has also been periodic volunteer activity to help keep the area usable. But apart from that, the Trust has not been able to adhere to the covenants to ensure that the green is suitably managed and maintained for public use.
- 6.8.4 Given that the Council owns the surrounding buildings and areas of housing amenity land, it has had to take on a role of basic maintenance such as cutting the grass. During periods when the Council has stopped doing it the area has become overgrown and unkempt. In 2011 the Council sought to recoup its costs by invoicing the MGT, but this was not remunerated so the Council stopped grass cutting. However, following concerns of neglect, Tower Hamlets Homes was forced to resume and continues to cut the grass so the area does not become unkempt.
- 6.8.5 In making its 2013 CPO the Council acknowledged that the MGT trustees will have done their best, but that over time interest had waned and lack of resourcing in terms of staff and finances prevented the Trust from carrying out its duties as freeholder of this space for the benefit of the community. This situation remains unchanged.
- 6.8.6 The Council explained when it made the now confirmed 2013 CPO that the MGT is no longer a viable body to:

- fund necessary day-to-day management and maintenance of the entire park;
- act if there are squatters on the park; or
- carry out any capital investment in the park

6.8.7 The new central park will provide an amenity for a much larger local community at Blackwall. The space will have to ‘work much harder’ and will require much more intensive management and maintenance than it does now. The required new ownership structure and resourcing arrangements set out in this report are necessary in the context of the overall regeneration to ensure there is/are:

- clear roles and responsibilities with respect to the park area;
- secure and sustainable funding of maintenance and management;
- suitable authority to deal with squatters and any anti-social behaviour in or around the park area; and
- an adequate decision-making process to allow capital investment in the park area in the future (ie long after the planned improvements which Swan will carry out within the scheme).

6.9 Negotiations with Robin Hood Millennium Green Trust.

6.9.1 The Council has confirmed to Trustees throughout its discussions going back over several years that in delivering the regeneration with its partners it will seek to meet the requirements that Natural England have set down, which reflected those of the Trustees, i.e. that the existing central open space be improved and preserved in perpetuity; that the Millennium Green name be retained, and that some form of transitional membership be given to an existing Millennium Green Trustee on the board of the new Blackwall Trust.

6.9.2 It is hoped that Council officers can reach agreement with the MGT to acquire these land interests voluntarily. The MGT did not object to the 2013 CPO and after extensive discussions between the Council, Trustees and Natural England, the latter withdrew its objection to the Council’s CPO when the Council provided an undertaking to preserve the central green by acquiring and retaining the freehold and setting up the new Blackwall Trust to be custodian of the green – the undertaking is summarised in para.9.6.1 - 9.6.2. Natural England was satisfied that the Council’s proposals for the new Trust and new management arrangements would deliver an assured future for this important open space.

6.9.3 Officers from the Council and Swan have continued to meet with the sole participating lead MGT Trustee and have kept the other registered but non-participating Trustees collectively apprised of all meetings and discussions. The Council has explained its position to the Trust and has urged that a settlement be reached for the Trust to hand over its remaining land holdings voluntarily, recognising that the Trustees will need help and advice to fulfil this, for which the Council will pay.

- 6.9.4 The lead Trustee with whom officers are negotiating understands the Council's need to acquire this land and has indicated a willingness to agree the disposal of these plots to the Council, so they can be retained and renewed as open space. However to make such a voluntary disposal the approval of all registered Trustees is required and this may not be achievable.
- 6.9.5 The recommendations in this report will enable the Council to fulfil its obligations with regard to the set-up of the new Trust and to take the necessary steps to ensure both the comprehensive renewal of the green and its preservation as open space for future generations.
- 6.9.6 This report explains why the proposed CPO is needed to support the wider regeneration at Blackwall Reach. In partnership with Swan, the Council is committed to the establishment of a properly funded Trust and to put in place sustainable management and maintenance arrangements for the new park and the entire public realm across the new estate.
- 6.9.7 If the proposal for the necessary CPO is agreed, officers will continue and accelerate attempts to formally negotiate with Trustees, offering whatever appropriate support is required, including legal and financial assistance, to help achieve this land disposal if at all possible by avoiding the use of compulsory acquisition powers.
- 6.9.8 However the proposed CPO is essential as a precaution because the nature of the present ownership arrangements means that a collective decision by all Trustees is required to agree a voluntary disposal. It is important to commence the CPO processes for the non-acquired land interests within the red-line boundary shown in **Appendix 1**.
- 6.9.9 In accordance with statutory guidance, the Council needs to demonstrate that compulsory purchase is used as a measure of the last resort and that all reasonable efforts to acquire by agreement have been exhausted. The Council has been and will continue to be vigorously seeking a voluntary negotiated settlement with those whose interests will be acquired.

7 COMPULSORY PURCHASE OF PLOTS 61, 71, 74 OF THE MILLENNIUM GREEN

- 7.1 Using compulsory purchase powers will facilitate the delivery of this regeneration project as described above. The 2015 "Guidance on Compulsory purchase process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion" (the Statutory Guidance) sets out statutory guidance to acquiring authorities in England making CPOs.
- 7.2 The Statutory Guidance states that "Compulsory purchase powers are an important tool for local authorities and other public bodies to use as a means of

assembling the land needed to help deliver social and economic change. Used properly, they can contribute toward effective and efficient urban and rural regeneration, the revitalisation of communities, and the promotion of business – leading to improvements in quality of life.”

7.3 The Statutory Guidance provides that “Compulsory purchase is intended as a last resort to secure the assembly of all the land needed for the implementation of projects.”

7.4 The Statutory Guidance also provides that “if an acquiring authority waits for negotiations to break down before starting the compulsory purchase process, valuable time will be lost. Therefore, depending on when the land is required, it may often be sensible, given the amount of time required to complete the compulsory purchase process, for the acquiring authority to: plan a compulsory purchase timetable as a contingency measure; and initiate formal procedures. This will also help to make the seriousness of the authority’s intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations.”

7.5 The Statutory Guidance refers to the balance that has to be struck between ensuring a compelling case in the public interest and that the regeneration project sufficiently justifies interfering with the human rights of those with an interest in the land affected. It reads as follows:

“When making and confirming an order, acquiring authorities and authorising authorities should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected”.”

7.6 The Statutory Guidance states –

“If an acquiring authority does not: have a clear idea of how it intends to use the land which it is proposing to acquire; and cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale it will be difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest, at any rate at the time of its making.”

7.7 Consideration is given to the human rights implications of the decision to make a CPO in section 12 below.

8 WHEN COMPULSORY PURCHASE IS TO BE USED

8.1 The circumstances in which CPO may be used by relevant authorities is summarised as follows:

- To unlock situations where a scheme is being blocked by an owner (or owners) unwilling to dispose of property.

- To ensure effective negotiations for land assembly where there is a multiplicity of ownerships and absent landlords
- Where there are unknown owners

8.2 The use of CPO in the case of the Millennium Green accords with the first of these circumstances.

8.3 People affected by the CPO have rights to object, to be heard at a public inquiry and receive compensation. The acquisition of land designed to facilitate a development that will promote the economic, social or environmental well-being of an area is an acceptable use of compulsory purchase powers under the legislation.

9. THE NEW “BLACKWALL TRUST”

9.1 The Council has been committed since the start of the Blackwall Reach project to preserving and improving the central green space (Millennium Green). This is to be done by Swan as part of the regeneration scheme, after the Council has acquired the freehold of the open space from the existing MGT, which is partially achieved.

9.2 The Council also wanted to find a way to broaden the regeneration benefits to the wider community, beyond the bricks and mortar and other non-physical provisions secured through the development and planning agreements.

9.3 To this end it obtained from Swan a commitment to join a new charitable company that will safeguard and oversee the new park and crucially to provide funding of £1 Million, plus a contribution from the ground rents of the private homes for sale, for the Trust to use to fund future works to the park and worthwhile projects for the benefit of local residents, long into the future. The grant from Swan is to be paid in four stages, upon completion of each successive scheme phase. The first payment of £250,000 has now been received and can be drawn upon by the new Trust once it is established. The next payment will come when Phase 2 is complete in c.2020.

9.4 The key issues to be addressed in setting up the new Blackwall Trust are:

- Freehold ownership by the Council and preservation of the new central park for the future enjoyment of local people, in compliance with the Council’s commitments and undertakings.
- Management and maintenance of the new central park when the improvement works are completed.
- Creation of a charitable company limited by guarantee to oversee this new park.
- Enabling of the company to utilise resources comprising Swan’s contribution plus income generated from its own fund-raising; this will fund beneficial projects for the community as soon as the Trust is established and any capital improvement works to the park in the longer term.

9.5 Undertakings by the Council

9.5.1 The Council is required to establish the new “Blackwall Trust” under the Principal Development Agreement, and has also given undertakings in an agreement with Natural England that it will fulfil a number of obligations in relation to its acquisition of the existing Millennium Green, for which Natural England provided initial funding in 1999. The obligations of the Council are broadly to:

- retain the freehold of land it acquires from the existing Robin Hood Millennium Green Trust (MGT);
- establish the Blackwall Trust as defined in the PDA, with a constitution broadly in line with that agreed with Natural England (ie covering Principles of Land Ownership, Draft Heads of Terms and a Deed of Covenant): the indicative principles of operation are set out in the paragraphs below;
- grant a lease of 250 years to the new Blackwall Trust for the central green, for which it will become custodian;
- ensure the preservation of the central green as an open space for the use and benefit of the whole Blackwall Reach community;
- retain the name “Millennium Green” for this open space;
- set up management arrangements by entering into a contract with Swan to manage and maintain the new park.

9.5.2 It is thus envisaged that the Council will retain the freehold and that the new Blackwall Trust will hold a long lease of the central open space at Blackwall Reach - which will retain the “Millennium Green” name - for the use and enjoyment of the local residential community. This space is to be used as an area for informal recreation and a place for community events which are consistent with the Trust’s objects. The Trust as leaseholder of the park would be its custodian and have an overview of its management, in liaison with the Council as freeholder and Swan as the Council’s partner with a contractual responsibility to maintain it.

9.5.3 These arrangements will provide a twofold assurance that:

(a) the renewed green (the park) will remain as open space for generations to come and will be properly funded in terms of its day-to-day management through the direct arrangement between the Council and Swan, and

(b) that the Blackwall Trust will have funds immediately to support socially beneficial projects and in the longer term for further improvement works if these are desired.

9.6 Ownership of the New Park

- 9.6.1 The Council will own the **freehold** of the new park area with covenants in place to ensure that it remains fully accessible to the public (see below). This requires the Council to complete its acquisition of the existing land interest held by MGT. Agreeing to make a CPO will assist in this.
- 9.6.2 The new Blackwall Reach Trust, once established, would be granted a **long lease of 250 years** on the park area. The new central park area would continue to be referred to as a Millennium Green.

9.7 Covenants to Guarantee the Open Space

- 9.7.1 There would be a covenant in the Council's freehold title (and the Trust's leasehold title) requiring that the park area be permanently and fully accessible for the use and benefit of the general public and the residents of Blackwall Reach and surrounding area, thus guaranteeing its continuation as open space.

9.8 Transition from Existing Arrangements

- 9.8.1 Under the original transfer documents that established the Millennium Green there are covenants requiring the MGT "to maintain and manage [the Green] in good order suitable for use as a park or open space" and "to use [the Green] as a park or open space open for the use of the general public". The proposed structure and delegation of roles and responsibilities to the new Blackwall Trust is designed to deliver these objectives.
- 9.8.2 At present THH is maintaining the western half of the green as this has been vested to the Council. There will be a change to the management of the green whilst Swan takes temporary possession under license firstly of the western half, to carry out the improvement works within its Phase 2 programme, and secondly of the eastern half, once this is fully acquired for renewal in Phase 3. During the period that Swan is licensee it will assume responsibility for maintaining the open space until works are complete, at which point the improved green will be transferred to the new Trust as set out above.
- 9.8.3 The Blackwall Trust, apart from its leasehold / overview of the new central park, would have a different function from the existing MGT. It would primarily be a charitable company set up to deliver participation by all stakeholders in the regeneration; it would hold substantial funds, arrange activities and help fund and run initiatives for the benefit of the expanding local community at Blackwall Reach and the surrounding area. It is envisaged such activities and initiatives should be focused around education, training, personal development and improved well-being, and enhancing community cohesion.

- 9.8.4 The Trust would be representative of those with interests at Blackwall Reach, including the resident community (tenants and leaseholders), the estate management (Swan), the Council and Woolmore School.
- 9.8.5 The structure of the Trust would have mechanisms in place to ensure good governance and that the activities of the Trust are fully transparent to the residents at Blackwall Reach and for stakeholders to have an input into the programme of initiatives funded by the Trust.
- 9.8.6 The Trust would have the ability to propose additional capital investment in the park. A mechanism would be required for coming to agreement on any such proposals with the Council and with Swan, in particular dealing with circumstances where any such investment may lead to additional management/maintenance burdens. The Trust would also have the ability to organise activities and events in the park

9.9 Management Responsibilities

- 9.9.1 The Council as freeholder will be responsible for procuring the ongoing management and maintenance of the park. Under the envisaged arrangements the Council will enter into a management contract with Swan Housing Association to manage and maintain the park to an agreed standard at nil cost.
- 9.9.2 Definition of the 'standard' to which the park must be maintained could be reviewed from time-to-time with the Council and the leaseholder (the Trust). This would fulfil the Trust's remit to overview the new park and ensure it is being run satisfactorily.
- 9.9.3 Under the management contract, the Council as freeholder would give authority to Swan to deal with any squatters on the park and to act in the case of anti-social behaviour, etc.

9.10 Funding for Blackwall Trust

- 9.10.1 As explained above, the Trust would be funded by a combination of:
- £1 Million capital provided from Swan on a phased basis during the development of Blackwall Reach: the first £250,000 has now been paid to the Council in readiness for the Trust to be set up;
 - ground rents from across Swan's Blackwall Reach estate (estimated to be around £80,000 per year at scheme completion);
 - interest generated from the capital held;
 - fund raising (in capacity as a charity) and applications for grants.

9.11 Establishing the Trust - Operational Area

- 9.11.1 Like the ownership structure, the objects of the Trust are to be finally determined but indicatively would support local initiatives and activities for the benefit of the local residential community at and around the new Blackwall Reach development. Such activities and initiatives should generally be focused around education, training, personal development and improved well-being and enhancing community cohesion.
- 9.11.2 It is envisaged that the operational area of Blackwall Trust should be contiguous with the Blackwall Reach regeneration area, as bounded by the major elements of infrastructure. The intention is that activities and initiatives of the Trust should be primarily focused on Blackwall Reach itself. For example a service could be funded to operate out of the new community facilities at Blackwall Reach (i.e. should be based at Blackwall Reach), or be based externally but be funded to provide services within the Blackwall Reach area. An example is a youth group, which could be based at the local community centre but might also have membership from a wider area.

9.12 Objectives of the Trust

9.12.1 As the Blackwall Trust will ensure the green:

- makes a substantial contribution to the life of the whole community
- is enjoyed by people of all ages and physical abilities
- is open to visitors to the locality as well as inhabitants
- is an attractive place for people to take air and exercise, meet others and pursue leisure activities and pastimes consistent with shared enjoyment of the whole of the land
- is used for community events and celebrations
- makes a positive contribution to the local environment

9.12.2 In terms of its control of substantial resources Blackwall Trust's wider social objectives should include the:

- advancement of education
- relief of financial or other hardship in the community
- creation of training and employment opportunities
- maintenance, improvement or provision of public amenities
- assistance in or direct provision of recreational facilities for the public
- protection or conservation of the environment
- promotion of public health
- promotion of public safety and prevention of crime
- provision of recreational facilities and activities for residents including specific groups including young people, women, disabled and elderly residents

9.13 Powers of the Trust

9.13.1 It is envisaged these will be wide, to include power to:

- raise funds (but not borrow nor raise a mortgage)
- accept donations
- apply for grants
- secure services local initiatives/activities for the benefit of the community
- fund capital investment in the park (and public realm around Blackwall)
- provide grants for local initiatives/activities for the benefit of the community

9.14 Limitations

9.14.1 The Trust will not:

- fund any political activities
- support any specific religious activities
- fund anything which is not legal or could be deemed immoral or contrary to public policy
- act in any way which is in breach of statute or any by-laws
- carry out any profit making business activity (i.e. grants may be given to local businesses, but not loans nor taking shares in companies)
- provide direct financial assistance for specific individual gain
- erect any permanent building on the Millennium Green which is dedicated for use by one particular group in such a way as to exclude other inhabitants or visitors

9.15 Financial Limitations

9.15.1 The following issues need to be further refined and agreed, in consultation with Swan, Natural England and other stakeholders, under the proposed delegated authority:

- consideration of a limitation on the Trust's capital expenditure in the early years (or perhaps an annual limit): this might for example limit the Trust to spending interest accrued and funds raised, but not the capital lump sum payment from Swan.
- consideration of a defined limit to what the Trust can spend of its monies in any one year on administration and management, though it will incur running costs and require specialist advice (and perhaps ongoing support from the Council and Swan).

9.16 Structuring Options for the Trust

- 9.16.1 Specialist legal advice has been obtained and considered. The suggested mechanism is for a **Charitable Company limited by guarantee (CLG)**. This is set up with charitable articles, and is registered both at Companies House (as a company) and with the Charity Commission as a charity in its own right.
- 9.16.2 As a CLG is an incorporated body, it can own property, will be liable for its own debts, and can transact business with third parties without the need for the trustees to do so in their personal capacity.
- 9.16.3 A CLG has a two-tiered governance structure consisting of a board of directors with day-to-day control (the “charity trustees”), and one or more Members (who are analogous to the shareholders in a company limited by shares). Often, in a CLG, the members and directors will be one and the same persons.
- 9.16.4 As a limited company, the charity will have directors and members; the directors will also be trustees of the charity for the purposes of the Charities Act 2011. The CLG will be limited by guarantee and will have its liability limited to such amount as the members undertake to contribute to the assets of the company in the event of its being wound up. The CLG will be liable for its debts and the people behind it are fully protected by limited liability.
- 9.16.5 The charity trustees assume fiduciary duties as charity trustees as well as Companies Act duties as directors of the company.
- 9.16.6 The Members will give a nominal guarantee (normally £1 or £10) to cover the company’s liability, e.g. on liquidation. Their liability is limited to this nominal amount.
- 9.16.7 Members have certain rights in respect of particular issues, but the day-to-day decision making and responsibility sits with the board of charity trustees. For instance, only the members can authorise amendments to the Articles of Association and the name of the company. The members also have the right to see copies of the company’s official records (accounts, etc), and to remove charity trustees.
- 9.16.8 The charity trustees meanwhile, in the absence of a separate executive team, are responsible for day-to-day running of the CLG.
- 9.16.9 A CLG has its own legal personality and can enter into contracts, transact with third parties and own property in its own right. Charity trustees will not have personal liability for the CLG’s business, except in limited circumstances (e.g. fraud/dishonesty).

- 9.16.10 A CLG will have to make returns and submit accounts on an annual basis to both Companies House and the Charity Commission, and must also comply with both charity and company law.
- 9.16.11 The benefit of establishing the Blackwall Trust up as a charity is that because of its charitable status, the Company will operate as a public trust and be able to claim certain tax reliefs. A CLG will however face a higher level of regulation and is not as quick to set-up as, for example a Community Interest Company.
- 9.16.12 The alternative structure considered was that of a “Trust”, which is managed and controlled by a group of trustees or a corporate trustee. A Trust, in the legal sense, does not have its own legal personality and so cannot enter into contracts, own property or employ staff in its own right. Trustees are liable personally to the extent that they cannot rely on their trustees’ right of reimbursement from the charity’s funds or the right to be relieved from liability by the Charity Commission. Whilst the administration of a Trust structure is simple when compared to the CLG model, given the objects of the charity and the need for the charity to hold a lease of the Millennium Green, this may not be a viable option.
- 9.16.13 It is therefore considered that the CLG model is most appropriate to the role, objects and composition of the proposed Blackwall Trust.

9.17 Appointment of Directors (and “Charity Trustees”)

- 9.17.1 It is recommended that this is reviewed with the partners, particularly Swan as main funder of the Trust, and considered under the requested delegated authority. The Undertaking to Natural England permits negotiation on key provisions and officers are likely to propose that the Board of Directors/Trustees should comprise 10 trustees as follows:
- 2 x resident representatives
 - 1 x nominee from existing MGT (to provide transitional continuity) - to convert once the first term has expired to:
 - 1 x nominee from Swan’s Estate Residents Board
 - Up to 2 x nominees from London Borough of Tower Hamlets
 - Up to 2 x nominees from Swan
 - 1 x nominee from the Woolmore Primary School (Board of Governors)
 - 2 x independents with specific skills as desired by the Board of Trustees (being people who live or work in the Borough) (e.g. an accountant to act as treasurer)
- 9.17.2 Trustees should normally be appointed for a term of 3 years, which can be renewed periodically. It may be preferable for the LBTH and Swan nominees to be permanent appointments, from which they will stand down when their employment ends with LBTH or Swan (as the case may be). Trustees should not be able to vote on matters in which they have a conflicting interest, for example regarding funding for services

provided by an organization they control or work for, or if they have a connection with a potential recipient of a grant from the Trust.

9.17.3 Selection of new trustees will be done by advertisement, application and interview by the Board.

9.17.4 For specific consideration will be the balance of Trustees. Once set up the Trust will be an independent charitable organization with a requirement to act in compliance with its terms of reference and regulations, but it will be holding substantial resources contributed primarily by Swan. It may be considered appropriate to seek a further independent nominee to ensure that the Trust has robust advice as it pursues its remit

9.17.5 The Corporate Director, Place, shall nominate which officers of the Council are to be the directors/trustees of the CLG.

9.18 Administration

9.18.1 The Trust may decide to have an administrator employed on a part/full-time basis, as required. Mechanisms will be required for selection of administrator and as indicated above the costs for this may be limited.

9.19 Eligibility for Trusteeship/Directorship

9.19.1 There should be clear terms of reference and appropriate checks to ensure that Trustees/Directors are responsible people. All trustees are required to be fit and proper persons in accordance with HMRC rules.

9.20 Mechanisms

9.20.1 Mechanisms are to be set out for meetings, selection of Chair, special meetings, quora, voting, minutes, accounts and publishing minutes.

9.20.2 There must be one annual general meeting which may be attended by all residents at Blackwall Reach, which must be suitably advertised in advance and held in a convenient location which can accommodate attending residents.

9.20.3 Minutes and proceedings of the AGM must be made available to all residents at Blackwall Reach.

10 COMMENTS OF THE CHIEF FINANCE OFFICER

10.1 This report outlines the progress on the Blackwall Reach Regeneration scheme and seeks the approval of the Mayor in Cabinet to establish a new charitable company - the Blackwall Trust - to oversee the new central park area and to authorise the making of a Compulsory Purchase Order to acquire the open space from its current owners - the Robin Hood Millennium Green Trust.

- 10.2 Funding for the Blackwall Reach scheme was initially approved by Cabinet in July 2009, with the project expenditure mainly relating to the costs of land assembly and decants. The significant increase in property values over recent years necessitated an increase in the capital estimate for the project to £20.266 million which was approved by the Mayor in Cabinet on 26th July 2016. The increase in property values has given rise to a corresponding increase in the overage receipts that are likely to be generated by the project and which are cross-subsidising the scheme.
- 10.3 A key element within the site boundaries is the Millennium Green. This open green space is currently managed by the Robin Hood Millennium Green Trust following transfer of the land from the Council in June 2001, however negotiations are taking place to assign the land and the associated responsibilities to a new trust – the Blackwall Trust. This report seeks approval for Compulsory Purchase Order proceedings to be implemented should efforts to acquire the land by agreement fail. It should be noted that the CPO process is a last resort, and that negotiations with the existing Trust will continue, however arranging for these back-up procedures to be put in place now will reduce any subsequent delays in the regeneration programme that will arise if agreement cannot be reached. As open land held for charitable purposes, there are no capital acquisition costs associated with the CPO, however the Council will reimburse any reasonable costs that the existing Trust incurs as part of the transfer process.
- 10.4 The Council is committed to establishing the new Blackwall Trust in accordance with the terms of the Principal Development Agreement that was entered into with its partners - the Greater London Authority (GLA) and Swan Housing Association. It has also given an undertaking to Natural England that the Trust will be established, with the Council being at risk of having to repay a £38,000 Natural England grant if it is not set up by May 2019. The Trust will initially be established with £1 million of capital provided by Swan as part of the Blackwall Reach planning agreements, the first £250,000 of which has been received by the Council in line with the milestones within the agreements. This report seeks authority to transfer these and future funds to the Trust.
- 10.5 Once fully acquired, the lease of the open space will be transferred to the Blackwall Trust which in conjunction with Swan will undertake the on-going management and maintenance of the park. In addition to the initial funding of £1 million, the Trust will receive annual income estimated at £80,000 from the ground rents that Swan collects from across the Blackwall Reach estate. It will also seek to raise funds from other sources as set out in paragraph 9.10.
- 10.6 Although the Council currently has no responsibility for the open space, as outlined in paragraph 6.5 it has been undertaking limited maintenance of the site, including cutting the grass, because the Millennium Green Trust has no financial resources to maintain the area itself. These costs will be avoided in future if the responsibility is transferred to the Blackwall Reach Trust.

11 LEGAL COMMENTS

Millennium Green CPO

- 11.1 The Council is empowered under section 226(1)(a) of the Town and Country Planning Act 1990 (“TCPA 1990”) as amended, to acquire any land in its area if it is satisfied that the proposed acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. Alternatively, if the land is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area, the Council may rely on section 226(1)(b) TCPA1990.
- 11.2 In order to make an acquisition under section 226(1)(a) TCAP 1990, section 226(1A) provides that the Council must also consider that the development, redevelopment or improvement will contribute to the promotion or improvement of the economic, social or environmental well-being of its area.
- 11.3 The London Borough of Tower Hamlets (Blackwall Reach) CPO 2013 was confirmed in 2015 which enabled the Council to acquire the entire Millennium Green. Certain plots of the Green, mostly to the west, were to be acquired for the purposes of securing its management. A large portion of this land has now been vested by the Council pursuant to a General Vesting Declaration made in May 2017. Other plots of the Green, to the east, were to be acquired to be built upon and this would in turn require the Council to provide alternative open space in exchange. However, Swan Housing Association Limited, the developer, no longer requires these plots of land for the purpose under which the CPO permitted acquisition. Accordingly, the western part of the Green is now in the Council’s ownership and the eastern part remains in the ownership of the Millennium Green Trust. For the reasons set out in the report (which reflect the reasons for which the Secretary of State confirmed the CPO in 2015 in respect to the western part of the Green), the Council considers it necessary to acquire those remaining 3 plots to the east identified in the plan at Appendix 1 (the “Order Land”). For the reasons set out in the report, the redevelopment of the Order Land will result in a significant improvement to the economic, social and environmental well-being of the area. Acquisition will both facilitate the carrying out of the wider Blackwall Reach redevelopment project and improve the quality and management of the open space to be acquired.
- 11.4 Section 19 of the Acquisition of Land Act 1981 (ALA 1981) requires that where a CPO includes public open space it must be subject to Special Parliamentary Procedure unless a certificate is obtained from the Secretary of State. “Open space” is defined in section 336 TCPA 1990 as “...any land laid out as a public garden, or used for the purposes of public recreation...”, which applies to the existing Green.
- 11.5 Under section 19(1)(aa), the Secretary of State may grant a certificate where the acquisition is necessary to secure the preservation or improve the management of the land. When confirming the existing CPO, the Secretary of State issued a certificate on these grounds in relation to plots 59, 60, 62 and 70. The reasons for that decision are essentially the same as the reasons why

the Council now needs to acquire plots 61, 71 and 74: the Council wish to take control of the Order Land, both to enable it to be re-laid as improved public space and to secure its management going forwards. Accordingly, a certificate under section 19(1)(aa) ALA 1981 will be sought from the Secretary of State to authorise the acquisition of the Order Land through the CPO. The application is made at the time that the CPO is submitted to the National Planning Casework Unit for confirmation.

- 11.6 If the Order Land is acquired (voluntarily through negotiations with the Millennium Green Trust or compulsorily) the freehold of the entire Green would then be in the Council's ownership. In turn, the Council intends to grant a 250 year lease for a premium of £1 to the new Blackwall Trust in order that the land can continue to be used as open space and for the Trust to oversee the Green and, through various funding streams, to fund works to the Green and carry out various activities and initiatives for the benefit of local residents.
- 11.7 Section 10 of the Open Spaces Act 1906 provides that a local authority that has acquired control over any open space to which the 1906 Act applies shall, subject to certain conditions, hold and administer the open space in trust to allow the enjoyment of it by the public as an open space and for no other purpose. When granting the lease, the Council must ensure, therefore, that there is adequate protection so that the Green will continue to be available as public open space.
- 11.8 Section 123 of the Local Government Act 1972 enables the Council to dispose of its land in any matter that it may wish. However, except in the case of a short tenancy (i.e. leases of less than 7 years), the consideration for such disposal must be the best that can reasonably be obtained. Otherwise the Council requires consent of the Secretary of State for the disposal. Scope exists for the Council to dispose of such land at less than best consideration and without the specific consent of the Secretary of State if it can bring itself within the provisions of the General Disposal Consent (England) 2003. The Consent provides that the Council can dispose of the land if it considers it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area, and the undervalue is at less than £2m. In this regard, proper advice must be obtained in respect to the value in accordance with the Consent.
- 11.9 As the Green is open space, 123(2A) of the Local Government Act 1972 requires that any intended disposal, which includes the grant of a lease of a term of seven years or longer, must be advertised for two consecutive weeks in a local newspaper. Any objections to the disposal must be taken into account before the disposal is effected
- 11.10 The ALA 1981 provides that the authorisation of a compulsory purchase is to be conferred by an order, called a compulsory purchase order ("CPO"). A CPO is required to be made in a prescribed form and must describe by reference to a map the Order Land. Where the Council makes a CPO, it must submit it to the Secretary of State for confirmation. Prior to submission, the Council must publish notice of the making, such notice containing prescribed information. The

Council must also serve a notice in prescribed form on affected owners, tenants or occupiers of the land allowing them the opportunity to object. The procedure for confirmation of the CPO is specified in the ALA 1981 and it may require the conduct of a public inquiry if there are objections.

- 11.11 As the Council may ultimately be compulsorily acquiring the Order Land, it should take care that it does not contravene the rights of individuals under the European Convention on Human Rights (“ECHR”). Section 6 of the Human Rights Act 1998 makes it unlawful for the Council to act in any way which is incompatible with a right under the ECHR. Pursuant to Article 1 of the First Protocol to the ECHR, every person is entitled to the peaceful enjoyment of his or her possessions and no one shall be deprived of those possessions except in the public interests and subject to the conditions provided for by law and by the general principles of international law.
- 11.12 In order to avoid contravening individual human rights by making a CPO, it must be demonstrated that the CPO is in the public interest and that it is necessary and proportionate to make the CPO. It is considered that, as the requirements of section 226(1)(a) and 226(1A) TCPA 1990 have been fulfilled (i.e. the development, redevelopment or improvement will contribute to the promotion or improvement of the economic, social or environmental well-being of the area), this will provide a very substantial basis upon which to make the case that the CPO is policy based, is consistent with statutory objectives, and is necessary and proportionate.
- 11.13 The making of a CPO should be a last resort and should be preceded by vigorous attempts to acquire the land by agreement. There should be evidence of intransigence on the part of owners such that the purpose for which the CPO is sought is put at risk. It must be clear that the reason for the CPO offers public benefits, such as improved amenities for the area. The balance of interests between the protection of individual rights and the public benefits to be obtained must be considered and there should be a compelling case in the public interest for the CPO. In this regard, it is relevant that individuals whose rights may be affected have a right to object to the CPO, and to have their objections heard at a Public Inquiry.
- 11.14 Statutory guidance, “Compulsory purchase process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion”, which was issued in 2015, provides guidance to acquiring authorities on the use of compulsory acquisition powers. The guidance has been referred to, as appropriate, in the preparation of this report.
- 11.15 Before making a CPO, 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. An equalities analysis has been conducted, the outcome of which is that it does not appear that the CPO will have any adverse effects on people who share Protected Characteristics.

11.16 The Council is a best value authority within the meaning of section 3 of the Local Government Act 1999 and is obliged to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficient and effectiveness”. This is expanded upon at paragraph 14 of the report and officers must continually keep under consideration whether the CPO process is discharging the best value duty.

BLACKWALL TRUST

11.17 The Council is required, under the Principal Development Agreement dated 19 April 2011 (as varied on 10 December 2013), to establish the Blackwall Trust, which is to be a charitable company limited by guarantee (the “Trust”).

11.18 The purpose of the Trust is, inter alia, to own and hold the leasehold interest in the Millennium Green as open space, to arrange activities and to run initiatives for the benefit of the local community. These activities and initiatives will be focussed around education, training, personal development, improved well-being and enhancing community cohesion.

11.19 As distinct from a ‘local authority company’, the Council is not taking an interest in the Trust and so it can rely on its general powers for its establishment. The powers in relation to the establishment of a non-local authority company, therefore, can fall under section 1 of the Localism Act 2011, which is the Council’s power to “do anything that individuals generally may do”. The entering into agreements, agreeing governance documents, incurring expenditure, and submitting documents to Companies House and the Charity Commission, or anything else which is incidental to establishing the Trust can be carried out under section 111 of the Local Government Act 1972, which is the power to do anything “...which is calculated to facilitate, or is conducive or incidental to, the discharge of any [function].”

11.20 A company limited by guarantee is the usual legal structure for creating a new charitable company. The key features include of the company include:

- it is incorporated under the Companies Act 2006 without issuing shares but instead requiring its members to guarantee a sum of money in the event of insolvency;
- it gives limited liability rights;
- the directors have duties and responsibilities under the Companies Acts and additional duties because of it being a registered charity;
- it is regulated by Companies House, and subject to the Charity Commission’s regulation.

11.21 Given the purpose for which the Trust is being established, a company limited by guarantee is the most appropriate model; the structure is well known in the private sector, which makes external funding and partnerships much more likely. However, as there are requirements for administration, annual reports and meetings, and audited accounts, this can make it more expensive and administratively burdensome than others. The various funding streams for the

Trust, which include the receipt of ground rents, fund raising and a capital receipt from Swan Housing Association Limited, will be sufficient for this purpose.

- 11.22 Swan Housing Association Limited is required under the PDA to release to the Trust, in four tranches, a total of £1m to use in furtherance of its objects. The first sum of £250,000 has been received by the Council and is being held on trust, pending the establishment of the Trust. Once the Trust is established, these funds are to be released.
- 11.23 On establishment of the Trust, the Council's involvement in it will cease, save for in respect to nominated officer(s) being appointed as directors/members.
- 11.24 It is proposed to appoint up to two Council officers as directors and trustees of the Blackwall Trust. Whether one or two officers are to be appointed will depend on the final governance structure, as there are certain restrictions on local authority board membership. In accordance with section 167 of the Companies Act 2006, all director appointments must be notified to Companies House and there are similar provisions relating to the appointment of Trustees under the Charities Act. Under para 2.2 of part 3 of the constitution (Responsibility for Functions), in relation to executive functions, the Mayor may appoint officers to external bodies where the position is unpaid.
- 11.25 An officer of a local authority, who is also a director of an external body, must be aware of their duties in respect to each role. Conflicts of interest may arise in a number of areas for an officer who is also a director of the company and the directors referred to at para 9.17.5 should be mindful of their responsibilities, including those under the Local Government Act 1972, the Local Government Act 2000, and the constitution.
- 11.26 When establishing the Trust, 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. An equalities analysis has been conducted, the outcome of which is that it does not appear that the creation of the Blackwall Trust will have any adverse effects on people who share Protected Characteristics.

12 HUMAN RIGHTS IMPLICATIONS OF THE CPO

- 12.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way that is incompatible with the European Convention on Human Rights. Various convention rights are likely to be relevant to the Order, including:
- **Entitlement to a fair and public hearing in the determination of a person's civil and political rights** (Convention Article 6). This includes property rights and can include opportunities to be heard in the consultation process.

- **Peaceful enjoyment of possessions** (First Protocol Article 1). This right includes the right to peaceful enjoyment of property and is subject to the state's right to enforce such laws, as it deems necessary to control the use of property in accordance with the general interest.
- **Right to respect for, private and family life**, in respect of which the likely health impacts of the proposals, will need to be taken into account in evaluating the scheme (Convention Article 8).

12.2 The European Court has recognised that "*regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole*". Both public and private interests are to be taken into account in the exercise of the Council's powers and duties as a local planning authority. Any interference with a Convention right must be necessary and proportionate.

12.3 The Council is therefore required to consider whether its actions would infringe the human rights of anyone affected by the making of the CPO. The Council must carefully consider the balance to be struck between individual rights and the wider public interest. In the present case, the CPO would amount to an interference with the property rights of the MGT. However, it is relevant that the use which the Trustees can make of the land is limited by their own obligations to hold and maintain the land for the benefit of inhabitants of the area; and that, if the CPO is confirmed, inhabitants would continue to be able to use the open space in circumstances where its long term maintenance and management was significantly improved. For the reasons set out above, it is considered that any interference with the Convention rights caused by the CPO will be justified in order to secure the social, physical and environmental regeneration that the project will bring.

13 ONE TOWER HAMLETS CONSIDERATIONS

13.1 The Council has a range of statutory duties to facilitate development in the borough and provide affordable homes for local residents. Regeneration and development is a key factor to ensuring economic prosperity for the individual and for the community. The council has to plan for the overall social infrastructure to meet the needs of the rising local population. Previous reports to Cabinet and the Mayor in Cabinet, and evidence to the CPO Public Inquiry in 2014 have confirmed that the Blackwall Reach regeneration scheme will contribute to One Tower Hamlets objectives. The three objectives are to reduce inequalities; ensure community cohesion; and, strengthen community leadership.

13.2 On **reducing inequalities**, the scheme in delivery will lead to a massive increase in genuinely affordable social housing on the site. The scheme will also lead to new socio-economic infrastructure for the area, i.e. new education, community and retail facilities that will improve community well-being for local residents.

- 13.3 On **ensuring community cohesion**, the Council has worked with community representatives to facilitate the regeneration project, and minimise disruption. The new scheme is intended to achieve transformational change and the high quality 'Place Making' objectives. The provision of new community facilities and services provided for all residents, plus increasing linkages with the local school, which is one of the hubs of the local community, are greatly increasing community cohesion.
- 13.4 On **strengthening community leadership**, the Council and Swan continue to work closely with residents. The successful redevelopment of Blackwall Reach and the Robin Hood Gardens Estate is predicated on continuing successful engagement with residents and other local stakeholders and the partners will continue to work with residents and stakeholders on that basis.

Equalities

- 13.5 The current proposal by the Council will require the MGT to transfer the remaining land back to the Council. The negative impact will be on the 6 trustees themselves – 2 registered within the same ward, 3 registered within the borough and 1 unknown as they moved away from the area a number of years ago. An Equalities Analysis has been carried out and is attached at Appendix 2. In theory the negative impact to MGT trustees would be the acquisition of their land interest, ie the Millennium Green. Provision is to be made for their transitional representation on the board of the proposed new Blackwall Trust, so they would retain a voice, although only one trustee is currently actively involved. Because the existing trustees are a very small group an equality profile in this detail would identify them individually. Overall the equalities impact will be positive for the wider Poplar community which is illustrated in Table 1 below.

Residents by Age	0-15	16-64	65	Total
Poplar Ward	1,797	4,766	394	6,957
Poplar %	25.8%	68.5%	5.7%	100%
Tower Hamlets %	19.7%	74.1%	6.1%	100%

(Source: Census 2011 QS103EW - Age by single year)

The council and its partners as part of the estate regeneration are ensuring that the park is better maintained, managed, and resourced with the creation of a new 'Blackwall Trust'. The financial provisions for the new Trust will provide resources to be used for the wider benefit of the community than is presently the case.

- 13.6 The specific proposals in this report are intended to action the setting-up of the new Blackwall Trust, whose functions as broadly set out in paras 9.4 – 9.13 are to oversee a crucially important open space at the heart of the existing and new expanded community in the area. The objects and heads of terms for the new Trust will ensure that it focuses on addressing inequality in the area, through the availability of an attractive public open space for the enjoyment of all residents, and critically via the provision of funding for socially beneficial

activities and projects, with funding secured for years to come. The Blackwall Trust, as explained in this report, is to be operated by a board on which local residents and other stakeholders have a strong and decisive voice in allocating resources where they are needed, and in taking responsibility for generating improvements in the lives of other local people.

- 13.7 Throughout the process of developing the regeneration masterplan and then taking the scheme forward at Blackwall Reach, including exercising its CPO powers in 2013, the Council has had regard to the equalities implications for affected land interests and the wider community, including existing residents and stakeholders, and the future community who will arrive at Blackwall Reach as the scheme is developed. This is considered above under “One Tower Hamlets” considerations.
- 13.8 The action proposed by the Council to make a further CPO for three residual plots of the Millennium Green which will remain in the ownership of MGT unless the Council takes this action, or secures a disposal by voluntary agreement, is intended to enable comprehensive renewal of existing open space – including those plots which the Council has acquired or has CPO powers already to do so. The renewal of the park and the introduction of new management arrangements through the set-up of the new Blackwall Trust, will, as demonstrated, be for the benefit of residents of all tenures, without exclusion. The CPO requested will help to secure this much-valued open space and retain it as a viable and sustainable community resource for literally centuries to come.
- 13.9 It is recognised that the existing owners of the plots of open space that are to be compulsorily purchased do not have the resources to maintain or improve their land under the present ownership arrangements. It is acknowledged that as a voluntary trust they are not properly resourced.
- 13.10 The contribution of the MGT historically is valued and the Trustees will be invited to put forward a nominee for a transitional period (it is suggested for the first term) whilst the new Blackwall Trust takes shape and develops its wider role. The Council will continue to set out this proposal to MGT Trustees as it seeks to meet its contractual and other commitments and its undertaking to Natural England who helped to broker this approach with MGT and has supported it, in respect of the Council’s proposals for the new Trust and the relationship of the existing MGT to it.
- 13.11 MGT has welcomed the design changes that will retain the green in its present boundaries as a positive step and recognises that disposal of the land identified is necessary to help achieve the renewal and long term viability of the transformed open space, alongside guarantees of its preservation in perpetuity and the offer of transitional representation for continuity to an existing Trustee.
- 13.12 The steps proposed in this report are not considered to be prejudicial in their equalities impacts upon MGT Trustees because they will in fact achieve similar purposes to the MGT’s own objects, which it can no longer deliver without intervention by the Council. Rather the actions proposed are considered to be

for the benefit of the wider community and stakeholders, including those who may benefit as a result both of the open space being renewed, maintained and preserved into the future and/or from the wider social initiatives which the new Blackwall Trust can support via its sustainable funding mechanisms.

14 BEST VALUE (BV) IMPLICATIONS

- 14.1 The Blackwall Reach project as a whole aims to achieve best value in delivery through the pooling and best use of land assets between the Council and its partner, GLA, and other enabling investment, to enable comprehensive regeneration, within a financial model that will off-set costs as far as possible through substantial overage. The scheme will cost £430 million, set against a Council enabling contribution £20.266 Million (i.e. 4.7% of the overall cost, most of which is met by the developer). The main value of the project – and the council’s enabling contribution - is the near 300% increase in affordable rented homes for local people in housing need, along with substantial environmental improvements and other community benefits.
- 14.2 The council’s expenditure on the overall project is essential to deliver the overall scheme and its associated benefits. The Council has been predominantly successful in facilitating land assembly for Phases 1b, 2 and 3 of the scheme, and as a result the scheme will progress and substantial numbers of new homes are being built for local people.
- 14.3 Costs in relation to the measures proposed in this report will be met from the existing capital estimate, which was revised and approved by the Mayor in Cabinet in 2016.
- 14.4 The set-up of the Blackwall Trust requires the provision of specialist legal advice and some initial council officer time to facilitate its establishment. Thereafter the Trust predominantly funds itself and will operate initially through the provision of the first of 4 payments which the council has already received from Swan, of £250,000. The fledgling Trust will invest most of this to start generating interest and utilise an amount which it will determine to kick-off its independent fund-raising and other socially beneficial activities. The provisions for set-up also indicate there should be a limitation on the Trust’s expenditure on itself: this can be determined by the Trust or under the delegated work to finalise the rules for its operations.
- 14.5 Potential costs which may arise in relation to the land assembly / CPO primarily include officer time in relation to:
- ongoing negotiations and legal or other relevant support for MGT to assist in the voluntary disposal, for which the council will pay reasonable costs in line with good practice
 - the cost of making the CPO (officer time, process compliance including relevant notices, external legal validation etc.)
 - land referencing
 - preparation and representation at any subsequent Public Inquiry, if the CPO is contested.

15 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 15.1 The action requested in this report will enable the council to meet its contractual commitments and undertakings to make the renewed green space a viable and sustainable community resource for generations to come, within its existing boundaries. The implications for the environment are positive and beneficial. The green will be safeguarded through the new ownership and management arrangements, along with new participatory structures to be put in place, and future funding and secured. The overall regeneration will have three key sustainability benefits.
- 15.2 Firstly, the housing stock being redeveloped was designed to an environmental performance consistent with standards for build in place at the time the properties were built (mainly circa. 1970). They are being replaced by homes and buildings built to a far higher standard of environmental performance, which will mean they are far more cost effective to run, thereby reducing the potential for fuel poverty amongst low income households that are expected to occupy the new affordable homes within the scheme, including those being rehoused from the properties to be replaced. All the new homes will meet a minimum standard (Code of Sustainable Homes Level 4) and there may be scope to deliver a higher standard later in the project. The scheme also seeks to facilitate better approaches to energy conservation and waste recycling.
- 15.3 Secondly, a key element of the sustainability agenda is using land in urban environments to maximum effect. This both maximises the value of the land in strategic planning terms, and reduces pressure to build on green-field sites.
- 15.4 Thirdly the proposals involve the development of a high quality environment that will encourage bio-diversity as well as providing recreation space and amenity.

16 RISK MANAGEMENT IMPLICATIONS

- 16.1 The measures proposed in this report will deliver specific contractual commitments between the council, GLA and Swan to establish the new Blackwall Trust, and will also meet covenants agreed with Natural England (who funded earlier works) as a condition of its withdrawal of objection to the council's original CPO for the area in 2013. This will avert uncertainty and ensure that the green space currently known as the Robin Hood Millennium Green is preserved for centuries to come as an accessible community space, whilst also putting in place a viable structure and funding for its ongoing management, overseen as a partnership with the local community.
- 16.2 Failure to make the requested CPO would jeopardise the comprehensive re-landscaping and improvement works for the existing green as a whole, and retain an unnecessary and unsustainable maintenance arrangement for those specific plots. This risk will be mitigated by the CPO and by ongoing discussions and negotiations with the Millennium Green Trustees to seek a voluntary handover of their interest, as described in the report.

17 CRIME AND DISORDER IMPLICATIONS

- 17.1 The regeneration and redevelopment of the area will reduce the current high incidence of crime and anti-social behaviour, deriving in part from the poor physical condition of the current housing and environment, by improving the social, economic and environmental well-being of the local residents.
- 17.2 Good design will improve safety and security across the area for example through developing previously derelict or underused sites, better overlooking of shared spaces, community engagement in management, new routes through the area, local housing office.
- 17.3 The Blackwall Reach project is being designed carefully by Swan, with housing and open space layouts taking on board the advice of specialists and planners to reduce the opportunities for criminal and other anti-social activity.
- 17.4 The new Blackwall Trust will fulfil the council's aspiration that holistic ownership and management arrangements be set up for the entire central open space. This will ensure that the improved green area at Blackwall Reach is held as an open recreational space in perpetuity, remaining accessible to the whole community, and providing efficient and well-funded day-to-day management and maintenance. Provision for organised events, which have been a feature of the existing space, will continue. Through the operations of the new Trust, which will include local residents and stakeholders in its management structure, recognition of the green as a valued community resource will be encouraged, and its use and management closely monitored so that any problems of anti-social behaviour or other incidences of crime can be addressed responsively.
- 17.5 There are likely to be other positive impacts in terms of crime and disorder through the community-focused projects that the new Trust will sponsor.

18 EFFICIENCY STATEMENT

- 18.1 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". It is considered that the use of Council resources, within a model that delivers significant housing, educational and community provision for the area, while aiming to recover costs, will satisfy that duty.
- 18.2 The Blackwall Reach Regeneration Project is providing up to 1575 new homes with some 207 Council rented homes being replaced with up to 679 new affordable homes (including 561 homes for rent at traditional social rent levels) and 45 private homes with up to 896 new ones, including replacement homes for displaced resident owners, at nil extra cost. Value is also being demonstrated by the regeneration project generating up to £14,480,456 in S106 planning gain contributions for the area in addition to other benefits of the

scheme. This funding has already contributed to early delivery of a new expanded local school.

- 18.3 This report is to enable the set-up of a new Trust to broaden regeneration benefits to the wider community. This charitable body will establish and support worthwhile projects for the benefit of local residents, long into the future and funded by Swan Housing Association as the Council and Mayor of London's development partner for this regeneration project.
- 18.4 This report is also to help enable an area of open space to be assembled, protected from development, landscaped and leased to the new Trust as custodian, whilst being maintained by Swan Housing Association. Much of this land was transferred to the MGT in 2001, but as the MGT is lacking the resources to look after the site, the Council and Tower Hamlets Homes had been required to step in to maintain the area.

Linked Reports, Appendices and Background Documents

Appendices

- Appendix 1 Map showing the land proposed to be compulsorily purchased.
- Appendix 2 Equalities Analysis Assurance Checklist

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

- None

Appendices

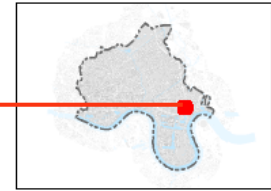
Appendix 1: Map showing land proposed to be compulsorily purchased (2018 CPO) or subject to acquisition under 2013 CPO.

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**London Borough of
Tower Hamlets
MILLENNIUM GREEN
CPO MAP**

- Legend**
- Plots 61,71,74
- proposed new CPO
 - Plots 60,62,70
Confirmed
2013 CPO -
land to be
vested later
 - Plot 59
Confirmed
2013 CPO now
vested to LBTH




GIS for Place Directorate
Scale @ A4: 1,250
Date: 23/11/2017

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EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	Blackwall Reach Regeneration: New Charitable Trust & CPO Resolution
Directorate / Service	Place/ Strategy, Regeneration and Sustainability.
Lead Officer	Sabaj Uddin
Signed Off By (inc date)	Niall McGowan 05/12/2017
Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">  </div> <div> <p>The CPO and the creation of a new 'Blackwall Trust' will improve the management and maintenance of Millennium Green.</p> <p>Robin Hood Millennium Green Trust ("MGT") was established to own the freehold and manage the newly created Millennium Green in 2001. The MGT trustees have done their best to maintain the open green space; they have lacked resourcing in terms of finance and manpower to be able to maintain the open green space or carry out improvements.</p> <p>The Council has vested the western section of the green in May 2017. The eastern section of the Millennium Green remains in the freehold ownership of MGT, which has no financial resources to improve or maintain it. MGT has asked the Council to step in to mow the grass, keep the area tidy and to generally maintain it, because it cannot do so.</p> <p>The current MGT is not in a position to maintain and manage the existing land nor could it deliver and then maintain the necessary improvements as part of the overall renewal of the existing green. The existing ownership and organisational arrangements are inadequate and will be detrimental to the delivery of a high quality new development at Blackwall Reach.</p> <p>The Council is in discussion with the Millennium Green Trust for them to voluntarily return the land ownership back to the council to improve the green open space and setup a new 'Blackwall Trust'.</p> <p>A new CPO is required however because the scheme design in relation to the central open space has</p> </div> </div>

changed and different powers must now be used to ensure the acquisition of three specific plots of land which are to be retained as open space. The new CPO is necessary to facilitate the acquisition of the eastern part of the Millennium Green on the basis that the reasons under which the CPO was originally granted, in respect to the eastern section, have changed: Swan's approved designs now retain the enhanced central green - the new park - within boundaries which are contiguous with those of the existing Millennium Green, rather than reconfiguring the green in order to build on part of it as originally envisaged.

The proposal will impact the current trust, as the council will seek to transfer the remaining land back to the council. There will be a minor negative impact on the trustee themselves with the land returning back to council's ownership. The negative impact will be on the non-active group of 6 trustees –2 registered within the same ward, 3 registered within the borough and 1 unknown as they moved away from the area number of years ago. The number of trustees being small for the negatively impacted group doing an equality profile will identify individual, but overall the equalities impact will be positive for the wider community, (See table 1 & section 3a) and the green open space land will be greatly improved and managed better. The council will as part of the estate regeneration through its development partner ensure that the park is better maintained, managed, and resourced with the creation of a new 'Blackwall Trust'.

Table 1: Number and proportion of residents by age range

Residents by Age	0-15	16-64	65	Total
Poplar	1,797	4,766	394	6,957
Poplar %	25.8%	68.5%	5.7%	100%
Tower Hamlets %	19.7%	74.1%	6.1%	100%

(Source: Census 2011 QS103EW - Age by single year)

The proposed CPO and creation of a new 'Blackwall Trust' to replace the function of the current MGT will provide a positive impact to the wider resident as this will bring in financial resources and stronger management and a more active and representative board of trustees.

Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	Y	<p>The Council seeks;</p> <ol style="list-style-type: none"> 1. To preserve the open space and establish a new 'Blackwall Trust' which will be landscaped, maintained and improved in the new central park to create a more positive benefit to the estate and wider community and creating an improved open space that connects with the surrounding area. 2. To continues the dialogue with the MGT for a voluntary transfer of the remaining land and, failing that process, to make a new Compulsory Purchase Order (CPO) to help ensure acquisition of parts of the existing open space which are not yet in the council's ownership. 3. To establish the 'Blackwall Trust', a charitable company limited by guarantee. The new 'Blackwall Trust' will hold a long lease of the central open space at Blackwall Reach - which will retain the "Millennium Green" name - for the use and enjoyment of the local residential community. This space is to be used as an area for informal recreation and a place for community events which are consistent with the Trust's objects. The Trust as leaseholder of the park would be its custodian and have an overview of its management, in liaison with the Council as freeholder and Swan as the Council's partner with a contractual responsibility to maintain it. 4. To include a covenant in the Council's freehold title (and the Trust's leasehold title) requiring that the park area be permanently and fully accessible for the use and benefit of the general public and the residents of Blackwall Reach and surrounding area, thus guaranteeing its continuation as open space 5. To acquire the remaining land interest from MGT and the creation of a new trust will have a positive impact for the estate and wider community by creating an improved green open space which will be better used and managed with stronger governance from the new trust.
	Is it clear who will be or is likely to be	Y	The proposed impact will be positive to the residents of the estate and wider
b	Is it clear who will be or is likely to be	Y	The proposed impact will be positive to the residents of the estate and wider

	affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?		community whilst the dissolvent of the current trust will have a negative impact on the non-active group of 6 trustees –2 registered within the same ward, 3 registered within the borough and 1 unknown as they moved away number of years ago. The number of trustees being small for the negatively impacted group doing an equality profile will identify individual.
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Y	The negative impact on the trust is acknowledged but is out weight by the positive impact on the wider estate residents and local community which is greater than the current 6 members.
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Y	The charitable Commission has the list of members on the trust which are negatively impacted.
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	Y	The council and its development partner have produced a comprehensive masterplan for the area which involves improving the current green space but to do this the council will need to acquire the land from the MGT.
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Y	<p>The council has been in regular dialogue with the Millennium Green Trust on the regeneration of the estate and the improvement to landscaping of the green and long term management and maintenance.</p> <p>The council has already secured half of the open space and is in dialogue with the MGT to secure a voluntary transfer of the land back to the council or it will require that the council make a new CPO application to acquire the land.</p> <p>Local residents have been consulted on improvement to the open green space and will be continued to be consulted and the landscaping improvements to the open green space.</p> <p>In addition considerable internal and partner consultation has also taken place which included:</p> <ul style="list-style-type: none"> • Resident Charter meeting; • Resident Charter; • Resident Insight Meeting (RIG); • Open Space \ Landscaping meeting; • Master-planning consultation; • Block design meeting;


			<ul style="list-style-type: none"> Estate governance meeting.
3	Assessing Impact and Analysis		
<p style="text-align: center;">a</p>	<p>Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?</p>	<p>Y</p>	<p>The data on the nine protected characteristics is not available, but the proposal will look at the impact of the proposal on the information from the census.</p> <p>The proposal will have a positive impact on the council making the CPO to acquire the land from MGT to deliver a better improved landscaped green open space and also put in place a better management structure with the formation of the new 'Blackwall trust'.</p> <p>Population</p> <ul style="list-style-type: none"> At the time of the 2011 Census, the population for Poplar ward was 6,957 which accounted for 2.7 per cent of the total population of Tower Hamlets. The ward had 3,523 males and 3,434 females providing a gender split in the ward of 50.5 per cent male and 49.4 per cent female – a variance of 89 people. The population density in this ward was 136 people per hectare compared to the borough average of 129 people per hectare. The proportion of residents in Poplar aged 0-15 years old is the third highest in the borough, with a corresponding lower than average proportion of working aged residents (16-62 years) and residents aged 65+. <p>Ethnicity</p> <ul style="list-style-type: none"> At the time of the 2011 Census, 4,676 residents in the ward were BME (67 per cent). This proportion was significantly higher than the borough average of 54 per cent. Residents of Bangladeshi origin accounted for 41 per cent of the population (2,871 residents), a higher proportion than the borough average. There were 1,567 White British residents in the Poplar ward. There was a significantly lower proportion of residents who are White British in the ward compared to the borough average of 33 per cent. The three largest ethnic groups in the borough (White British, Bangladeshi and White Other) accounted for 74 per cent of all residents in this ward <p>Religion</p> <ul style="list-style-type: none"> The proportion of residents who identified themselves as Christian was

			<p>almost 25 per cent, lower than the borough average. Conversely, at 44 per cent of the population, the proportion of Muslim residents was higher than the borough average.</p> <ul style="list-style-type: none"> • Tower Hamlets had a significantly higher proportion of residents who explicitly did not state their religion on the census form when compared to London and the rest of England. There were just over 1,081 residents in this ward who did not state their religion – accounting for 15.5 percent. This was the lowest proportion of all 20 wards in the borough. • There were just over 853 residents in the ward who said they had no religion on the census form – accounting for 12.3 per cent of the ward’s population, broadly comparable with both the borough average. <p>Household Size</p> <ul style="list-style-type: none"> • The proportion of households in the Poplar ward with three or more people accounted for 45.4 per cent of the total households in the ward. This proportion was higher than the borough average of 35per cent. • On Census day, 432 households were recorded as having five or more people living in them. This equates to 17.7 per cent of the households in the ward and was higher than the average for Tower Hamlets (12.3 per cent). • The average household size for the ward was 2.85 compared to the borough average of 2.51.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Y	The proposal by the council to acquire the land and setup a new trust will have a positive impact for the residents on the estate and the wider community see Table 1 and section 3a, whilst at the same time negatively impacting on the trustees as the proposal will dissolve the current trust and transfer the land back to the council. The trustees are currently non-active and unable to maintain the open green space.
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	Y	The council continues the dialogue with the MGT for a voluntary transfer of the remaining land and to dissolve the MGT or make a new Compulsory Purchase Order (CPO) to help ensure acquisition of parts of the existing open space which are not yet in the council’s ownership and setup a new ‘Blackwall Trust’.
b	Have alternative options been explored	Y	The alternative would have been to allow the current MGT to continue to hold the land. The MGT is largely non-active with only 1 active member from the 6 trustees; most of the trustees have moved away from the area and have no interest in the MGT.

			The MGT are not in a position to maintain and manage the green open space which is required by the estate residents and the wider community.
5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Y	The council in 2011 Cabinet made a resolution to enable the delivery of the regeneration / development proposals for Blackwall Reach Area which included improving the green open space. The council regularly reviews the regeneration and development proposal which includes the improvements to the green open space through its major project board.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	N	The data on the protected characteristic is not available, but the impact on the proposal will be measured against the census information that is held for the Poplar ward.
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Y	

Appendix A

Equality Assessment Criteria

Decision	Action	Risk
As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.	Proceed with implementation	Green: 

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Sonali Gardens Day Centre</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Richard Chilcott, Acting Divisional Director
Wards affected	Shadwell
Key Decision?	No
Community Plan Theme	A great place to live

Executive Summary

This report seeks authority for the Council to enter into a 25 year lease for the ground floor of the building at 79 Tarling Street, London E1 0AT which is used as a day centre for older people 65+, known as Sonali Gardens Day Centre. The rent has been agreed at £13,325 p.a. subject to index linked rent reviews. In accordance with para 14.1 of the constitution, (which sets out the delegated authority to take decisions in relation to Acquisitions and Disposals at full market value, the purchase or sale of land up to £250,000 in value) the authority of the Mayor in Cabinet is required.

It is proposed that the Council enters into a simultaneous sub-lease to the existing occupier, St Hilda’s East (who are the contracted service provider of adult services), on terms mirroring the head lease. The sub-lease will be for a maximum term of 18 months pending re-tendering of the day care service.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to enter into a 25 year lease for the ground floor of the building 79 Tarling Street, London E1 0AT.
2. Agree that the Council may grant a simultaneous sub-lease to St Hilda’s East of the whole building, to continue running the provision of an adult day care centre, on the terms mirroring the head lease.

1. REASONS FOR THE DECISIONS

- 1.1 The property comprises a purpose built day centre occupying part of the Ground Floor of a modern 4 storey brick built part residential building. St Hilda's East is the current occupier of the building as a commissioned service provider, running the provision of an adult day care service to older people aged 65+.
- 1.2 The Council wishes to retain an interest in the building so that it can offer this as a resource base when the current service is re-commissioned and it is accepted by all parties that it is appropriate for the Council to take a head lease of the property and grant a sub-lease to the commissioned service provider, which for the time being will remain as St Hilda's.
- 1.3 Terms were agreed early in 2016 between the Landlord and the Council for a new 25 year lease at a very advantageous rent based on the community use of the property. The estimated full rental value of the property is in the order of £125,000 p.a. but terms have been negotiated at £13,325 p.a. subject to RPI linked rent reviews. In addition to this the Council will make a payment of circa £100,000 to the landlord to reflect the arrears of rent since 2002 as detailed in the heads of terms.
- 1.4 The intention is for the Council to take the head lease and then grant a sublease to the occupying service provider on terms mirroring those of the head lease. The provider would take account of the need to meet these rental payments in its tender to the council. Thus in rental terms, the lease is cost neutral to the council.

2. ALTERNATIVE OPTIONS

- 2.1 If the Council chooses not to enter into the head lease then the Landlord could decide to recover possession of the property. In this case the Council would need to decide whether to lose this day care centre or whether to relocate. This is a purpose built centre therefore the chance of finding a suitable replacement is remote. In view of the advantageous rent agreed any such replacement is likely to be more expensive and/or of inferior quality.
- 2.2 If the Council decides not to enter into the sublease then St Hilda's will not withdraw their application to the court and if they choose will be granted a lease directly from the landlord. In this case the council will lose control of the day centre. If St Hilda's choose not to take a lease there is no obligation on the landlord to allow the day centre to remain in occupation

3. DETAILS OF REPORT

- 3.1 The property comprises a purpose built day centre occupying part of the Ground Floor of a modern 4 storey brick built part residential building.
- 3.2 The property was originally owned by the Council and was transferred to Circle 33 on 2nd August 2002 for the sum of £1. The Freehold is now

controlled by Clarion, which is the parent company that includes Circle 33, the name change happened after Circle Housing Group merged with Affinity Sutton Housing Group.

- 3.3 The property is occupied by St Hilda's East, a Company Limited by Guarantee (no. 52880) and a Registered Charity (no. 212208). As such its property dealings are regulated and it is under similar obligations relating to best value as the Council.
- 3.4 There is a long and complex history between the Council and the landlord regarding the occupation and use of this property.
- 3.5 A draft lease was issued to the Council in 2004 for a term of 5 years and at a rent of £10,000 p.a. The lease was never completed by the Council; reasons given include incomplete repairing and tenant's obligations.
- 3.6 However the Council was able to allow occupation and a commissioned service was delivered from the building from 2005 by St Hilda's who have been providing day care services to Bangladeshi and other Asian elders. The service contract term formally expired in 2011/12 and it has been extended on a year by year basis since.
- 3.7 There was more recent correspondence between the Landlord, St Hilda's and the Council's Adult Services Department in an effort to try to regularise the occupation of the property. These efforts did not result in agreement and therefore the Landlord began proceedings against St Hilda's sometime in 2015 under S25 of the Landlord and Tenant Act 1954 terminating the existing lease. St Hilda's made an application to the court in order protect their occupation and the matter was adjourned generally.
- 3.8 The Council wishes to retain control of the building service commissioned, but does need to regularise the occupation by St Hilda's in the short term.
- 3.9 Full rental value of the property is in the order of £125,000 p.a. but with a rental at £13,325 p.a. subject to RPI linked rent reviews. In addition to this the Council will make a payment of circa £100,000 to reflect the arrears of rent since 2002 when the property was originally first occupied.
- 3.10 The service contract was due to be re-tendered but this delayed because of the need to wait for the landlords to issue a draft lease, however this has now been received and agreed.
- 3.11 It is therefore proposed to issue a short term lease to St Hilda's whilst a new tender process for this service is followed. The sub lease will contain a break clause in order that the Council may terminate the lease on notice to St Hilda's, which will allow the successful tenderer to enter into a new sub lease.
- 3.12 However in order to complete the lease to the Council it is necessary for St Hilda's to withdraw their application to the court under the original S25 proceedings. In order to protect their own position they are not prepared to do

this unless they have the security of a simultaneous exchange of the sub-lease.

- 3.13 St Hilda's have indicated that they would be unable to fund the proposed level of rent under their existing agreement as a requirement to pay rent was not part of the original tender; however Adult Services have indicated that they will fund the short term deficit from their own budget.
- 3.14 This is an acquisition where, in addition to the 'one-off' backdated rent payment, the total rental payable by the Council over 25 years will exceed £250,000 ($£13,325 \times 25 = £333,125$). Approval by the Mayor in Cabinet is therefore required before the matter can be completed by legal colleagues.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the Mayor in Cabinet for the Council to enter into a 25 year head lease for an area of the ground floor of 79 Tarling Street to enable its continued use as a day care centre. Agreement is also sought to grant a simultaneous sub-lease of the building to the current service provider.
- 4.2 The centre is used to provide commissioned day care services on behalf of the Council, with the service currently being provided by St Hilda's East. Following acquisition of the head lease, the Council will retender the provision of this service which will include the requirement for the successful bidder to sub-lease the accommodation from the Council. Future tenders received are therefore likely to be higher than in previous years to reflect the fact that the bidders will be operating from Council buildings for which they will be liable to pay rental charges. The revenue implications of this will need to be absorbed within Health, Adults and Communities (HAC) directorate revenue budgets.
- 4.3 The proposed lease terms and annual rental charges have been assessed and negotiated by the Council's Asset Management section. The annual lease charges payable by the Council (£13,325 per annum) will be fully recovered from the income generated from sub-leasing the property to the successful service provider.
- 4.4 To acquire the lease, an initial payment of £100,000 will be made to reflect the fact that the lease arrangements have remained unconcluded for many years and that the freeholder has received no rental income for the building's use over a thirteen year period (see paragraphs 3.5 to 3.8). The contract arrangements for the building mean that no rent is paid by the service provider however, if that requirement had been in place, the bidders would have increased their submission prices to include these costs, meaning that the Council would have incurred increased historic annual payments. These higher costs are effectively represented by the proposed 'one-off' backdated rent payment which will be a call on HAC directorate revenue resources.
- 4.5 The current service supplier will be granted a short term sub-lease for the period until the new service contract comes into effect. The short term

revenue effects of these arrangements will be met by revenue budgets within the HAC directorate (paragraph 3.13).

5. LEGAL COMMENTS

5.1 The report seeks approval for:

- a) the acquisition of a 25 year lease from Clarion; and
- b) the granting of a maximum 18 month sublease to St Hilda's East over the same property for the purposes of continuation of running the provision of an adult day care centre.

Power to acquire the property

5.2 The Council has various power and duties relating to the provision of adult day care services. The Care Act 2014 places on the Council the duty to improve people's independence and wellbeing and, in so doing, requires that it provide or arrange services that help prevent people developing needs for care and support such that they would need ongoing care and support. One such way of discharging this duty is the commission on adult day care services.

5.3 Section 120 of the Local Government Act 1972 empowers the Council for the purpose of any of its functions under that or any other act, to acquire by agreement any land, whether situated inside or outside their area. Accordingly, the Council has the legal power to acquire a leasehold interest of this property.

Power to dispose of the property

5.4 The report seeks the decision to simultaneously dispose of the Council's leasehold interest by way of sublease to St Hilda's East for a maximum term of 18 months.

5.5 The land is held in the General Fund and, therefore, the Council has the power by virtue of section 123 of the Local Government Act 1972 to dispose of it in any manner that it may wish. As the term of the sublease is less than 7 years, s.123(2) and (7) confirm that the requirement to obtain best consideration for such a disposal does not apply.

5.6 The land is being disposed of by direct negotiation with St Hilda's East, rather than on the open market for the reasons set out in the report. The Council's Disposal Policy, agreed by Cabinet in April 2015, permits such a transaction in circumstances where the disposal is to a sitting tenant, as is the case here.

5.7 The Council's best value duty requires it to manage its asset portfolio in an efficient and effective way. Disposing of property for the best consideration obtainable together with reducing revenue expenditure discharges this duty.

5.8 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010. There are no direct equality considerations arising from this decision, though these will be relevant for the purposes of the ancillary decision relating to the provision of the adult day care services.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 The proposals set out in this report sits within the Council's One Tower Hamlets Values in providing an essential service to older people. By entering into a lease the Council can ensure the continuation of Adult Day Care Service.

7. BEST VALUE (BV) IMPLICATIONS

7.1 The arrangements proposed in this report support the council's best value duty. The proposed transactions represent an efficient and effective use of the council's estate.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no immediate 'sustainable action for a greener environment' implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Failure to enter into the leases set out in the report will bring to an end the essential service to older people being provided by St Hilda's East Community Centre.

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 The safeguarding implications arising from this service are managed by the commissioning department.

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:

Steve Cooper, Interim Asset Manager

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<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Brownfield Land Register</p>	

Lead Member	Councillor Rachel Blake Cabinet Member for Strategic Development and Waste (+ Air Quality)
Originating Officer(s)	Owen Whalley, Divisional Director, Planning and Building Control Umbreen Qureshi- Technical Support Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A Great Place to Live

Executive Summary

This report provides details about the Borough’s approach to the formation of a Brownfield Land Register (BLR). The development of the BLR is a statutory requirement and must be produced by 31st December 2017. The BLR is prepared in accordance with the guidance laid out in the Town and Country Planning (Brownfield Land Register) Regulations 2017.

The Brownfield Register will be a two-part register. Part 1 must list all land within the Borough of an area at least 0.25 hectares or land that has the capacity to deliver 5 or more dwellings. This is largely in-line with the criteria used to survey land for the Borough’s Strategic Housing Land Availability Assessment (SHLAA). The same criteria define available/developable or capable of development land.

The Council has identified 26 entries for inclusion in part 1 of the register. All sites identified for entry in part 1 are already in the public domain. Part 2 of the register will be a sub-set of part 1. Due to the need for detailed assessment of sites, there are currently no entries in part 2 of the register. Part 2 entries when made, will benefit from Permission in Principle (PiP).

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the publication of London Borough of Tower Hamlets Brownfield Land Register.

1. REASONS FOR THE DECISIONS

- 1.1 The requirement to publish a Brownfield Land Register is a new statutory function arising from the Town & Country Planning (Brownfield Land Register) Regulations 2017. The register must be in place by 31st December 2017.

2. ALTERNATIVE OPTIONS

- 2.1 This is a new regulatory duty placed on Local Authorities and so in this instance there are no alternative options.

3. DETAILS OF REPORT

- 3.1 Brownfield land registers will provide up-to-date and consistent information on sites that local authorities consider to be appropriate for residential development having regard to the criteria set out in regulation 4 of the Town and Country Planning (Brownfield Land Register) Regulations 2017 (see 3.4 below). Registers will be in two parts, Part 1 will comprise all brownfield sites and Part 2 those sites granted permission in principle. Local planning authorities can trigger a grant of permission in principle for residential development of sites listed in their registers, where they follow the required procedures.
- 3.2 The BLR will be a public register open to all. The Government aims to encourage more SME developers/investors to enter the housebuilding market. This, it is hoped, will be assisted by councils having a list of identified sites ready for development. It is proposed the success of the register will be monitored through the PS1/PS2 quarterly returns.
- 3.3 The definition of previously developed (brownfield) land has the same meaning as land of that description in Annex 2 of the National Planning Policy Framework i.e. *Land which is or was occupied by a permanent structure, including the curtilage of the developed and (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or has been occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures; land in built-up areas such as private residential gardens, parks, recreation grounds and allotments; and land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time*

3.4 The criteria for entry into the register is as follows:

- (a) Land that has an area of at least 0.25 hectares or is capable of supporting at least 5 dwellings;
- (b) The land is suitable for residential development
- (c) The land is available for residential development; and
- (d) Residential development of land is achievable

3.5 The definition of “suitable”, “available” and “achievable” land has been provided in legislation and has the meaning as follows:

Available – meaning the site should either be deliverable or developable. Sites that are deliverable should be available and offer a suitable location for development now and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.

Sites that are developable – are those that are likely to come forward later on (e.g. between six and ten years). They should be in a suitable location for housing development and there should be a reasonable prospect the site will be available and that it could be viably developed at the point envisaged. As part of the assessment of availability, some high-level consideration must be given to site viability.

Capable of supporting five or more dwellings or more than 0.25 hectares – in line with advice provided by DCLG consider sites capable of accommodating five or more dwellings or those that exceed 0.25 hectares in size.

Capable of development – these include consideration of whether the identified sites are suitable for residential use and free from any constraints that cannot be mitigated. Particular regard must be given to key elements of the NPPF including:

- (a) Whether any specific policies within the NPPF indicate that development should be restricted;
- (b) The location of the site and whether it represents a sustainable opportunity for residential development having regard to the ability to access the site by non-car modes of transport;
- (c) The likely amenity of future occupants and any potential conflict with other adjoining or nearby uses for example through excessive noise;
- (d) Whether the loss of any existing use would be likely to have a harmful effect (e.g. loss of a community facility or employment opportunity, impact on the vitality and viability of a town centre);
- (e) Any particular site-specific considerations that could impact on bringing forward an alternative residential use on the site (e.g. excessive contamination due to a previous use);
- (f) Flooding and whether the site would be suitable for residential use in light of the available information on potential flood risk;
- (g) Potential impact on the natural environment including whether the site is of high environmental value and/or development for residential use

- would be likely to have a harmful impact on biodiversity and ecology that cannot be mitigated; and
- (h) Whether the development of the site for residential use would have a harmful effect on the historic environment that cannot be mitigated

Methodology

- 3.6 The Council has identified sites that meet the above criteria by assessment of the following:
- I. Sites identified in the recently completed GLA Strategic Housing Land Availability Assessment (SHLAA)
 - II. Sites with active or lapsed planning permissions for development of 5 dwellings or more within the current Local Plan period (the principle of development on these sites has been established)
 - III. Council-owned assets suitable for delivery of dwellings
 - IV. Sites identified through the review of Council Tax/ Non-Domestic Rates records providing occupancy data
 - V. GIS, aerial photography and ground surveys
 - VI. Allocated sites in local plan where applicable
 - VII. Sites coming forward through a call for sites exercise
- 3.7 Once a site has been identified as meeting the criteria by assessment against the GLA's density matrix, it will be entered into part 1 of the register. The site will remain there until the register is reviewed. If a site fails to pass this, the site is excluded from entry on to the register. This is due to the identified site constraints.
- 3.8 The criteria used for assessing suitability of a site for inclusion in the BLR can include existing residential homes. Whilst no further development plans, other than those already in the public domain, will be made without following due process and consultation, the criteria obliges the Council to include these sites in the register.
- 3.9 Part 2 of the register will be a sub-set of sites identified in Part 1. If a site is not taken forward to part 2, the register must state why the site cannot be entered. The register is designed to give clarity by identifying why a site is not suitable for development.
- 3.10 Sites identified for inclusion in part 2 will also go through a mandatory consultation process. The Mayor of London will also be consulted on those sites that fall within the GLA referral criteria.
- 3.11 Sites that are confirmed for entry into Part 2 will benefit from 'Permission in Principle' i.e. the principle of residential development on the site will be approved. Permission in principle will need to be followed up with a "Technical Details" application to be determined through the DM process, if decision to develop is made.

- 3.12 The format the register must be kept is in accordance with the prescribed format as described in schedule 2 of the regulations. It is a mandatory requirement to publish the register in an open data format (at data.gov.uk) in the Infrastructure for Spatial information in Europe standards. The register must be updated on an annual basis.

Findings

- 3.13 The majority of the sites identified for entry in part 1 of the register have already been identified through our SHLAA. SHLAA data is not public. It is categorised into 5 phases (P1-P5). Sites within P1-P3 are considered deliverable within the next 5 years. Sites falling in P4-P5 are considered achievable over the next 15 years+ and have therefore been excluded.
- 3.14 The Council has assessed all site allocations from our Local Plan which have not commenced.
- 3.15 A call for sites exercise ran for 4 weeks with advertisements placed in HA magazine, 24 Housing, Estates weekly, Inside Housing, East London Advertiser, LGC, E Standard, Architects Journal, Community Care, Guardian Society & Property Week and use of LBTH social media
- 3.16 The exercise brought forward no sites.
- 3.17 Analysis of extant planning permission, current and outline planning permission identified 2 sites.
- 3.18 26 sites have been identified for entry into the register, 8 are part Council owned.
- 3.19 The total list of sites can be found in Appendix 1A and 1B. In addition to being available in the open data format, all sites will be available through the LBTH website as an interactive map based layer.

Future updates of the Register

- 3.20 The approach of the council has meant that a full review of the register will not be required annually but rather the register will be live and continually updated as and when sites come forward or require removal.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the Mayor in Cabinet to the publication of the Council's Brownfield Land Register, which will provide house builders with up-to-date and publicly available information on all large brownfield sites that are available for the development of housing within the borough.
- 4.2 The publication of the register by 31st December 2017 is a new statutory requirement. In conjunction with an assessment of the sites contained within the Council's Local Plan and previous planning applications, a four-week 'call

for sites' exercise was undertaken in order to obtain details for inclusion within the register (see paragraph 3.15). The costs of this exercise and the compilation and future maintenance of the register will be met from within existing revenue budgets.

- 4.3 The register includes both privately and publically owned sites, including those owned by the Council. The publication of the register might lead to approaches to the Council for developments to be undertaken on its land. If these arise they will be considered in accordance with usual Council processes, including the completion of appropriate financial assessments.

5. LEGAL COMMENTS

- 5.1 Regulation 3 of the Town and Country Planning (Brownfield Land Register) Regulations 2017 requires the Council as local planning authority (LPA) to prepare and publish its brownfield land register by 31 December 2017. The register will be in two parts.

- 5.2 Part 1 of the register will contain details on relevant sites that the LPA consider to be appropriate for residential development having regard to the criteria set out in regulation 4. That is, in relation to each parcel of land:

- (a) has an area of at least 0.25 hectares or is capable of supporting at least 5 dwellings;
- (b) the land is suitable for residential development;
- (c) the land is available for residential development, and
- (d) the residential development of the land is achievable.

Part 1 of the register will therefore include sites with extant full planning permission, outline planning permission and permission in principle as well as sites without planning permission provided they are suitable for residential development.

- 5.3 Part 2 of the register will contain those sites granted permission in principle. That is those sites in Part 1 that the Council has determined would be suitable for a grant of permission in principle for residential development. Prior to entering a site in Part 2, the Council must undertake the necessary requirements for publicity, notification and consultation as required by Regulation. Article 4 of the Town and Country Planning (Permission in Principle) Order 2017 grants permission in principle for the development of land that is entered in Part 2. Permission in principle will be granted for the provision of a number of dwellings falling within the range specified in the relevant entry in Part 2 and for any non-residential development described in the entry. New sites can be entered in Part 2 at any time providing the procedures for reviewing set out in Regulation have been satisfied. When the register is first published there will be no entries under Part2.
- 5.4 The register once published is to be kept open for public inspection at the principal office of the LPA or if kept electronically to be available for inspection

by the public on a website maintained by that authority for that purpose and be reviewed at least once a year.

- 5.5 All functions of an authority are executive functions unless specified as not in either the Local Government Act 2000 Act or the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).
- 5.6 Some planning functions cannot be the responsibility of the Executive, but authority to publish the register is not a specified function and is therefore an Executive decision.
- 5.7 Making an entry into Part 2 of the register is a specified function (Schedule 1, of the Local Authorities (Functions and Responsibilities) Regulations 2000) and is a non-executive function (i.e a function of full council not the Executive) – or such other committee or person duly authorised.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The report does not identify any equalities or diversities issues. It contributes to the achievement of One Tower Hamlets by provision of a tool to potentially allow the development of housing to come forward which ultimately assists all in the Borough.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The production of the Brownfield Land Register is a statutory requirement
- 7.2 The proposals set out in this document align with the Council's Best Value Duty and have been formed with consideration of the Best Value Strategy and Action Plan.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 Any development coming forward from sites identified in the register will enter the development management process. The due process will consider all such matters relating to the sustainability.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no risk implications or a need to mitigate risk. The Brownfield register does not list sites that are not already in the public domain.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The Brownfield Register will have no impact on crime and disorder. Any development proposals coming forward through the register will be assessed through the Development Management process. The process ensures new development does not increase the potential for crime.

11. SAFEGUARDING IMPLICATIONS

11.1 There are no safeguarding implications.

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

Appendix 1A: List of sites to be included in Brownfield Land Register

Appendix 1B: Maps identifying sites to be included in Brownfield Land Register

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

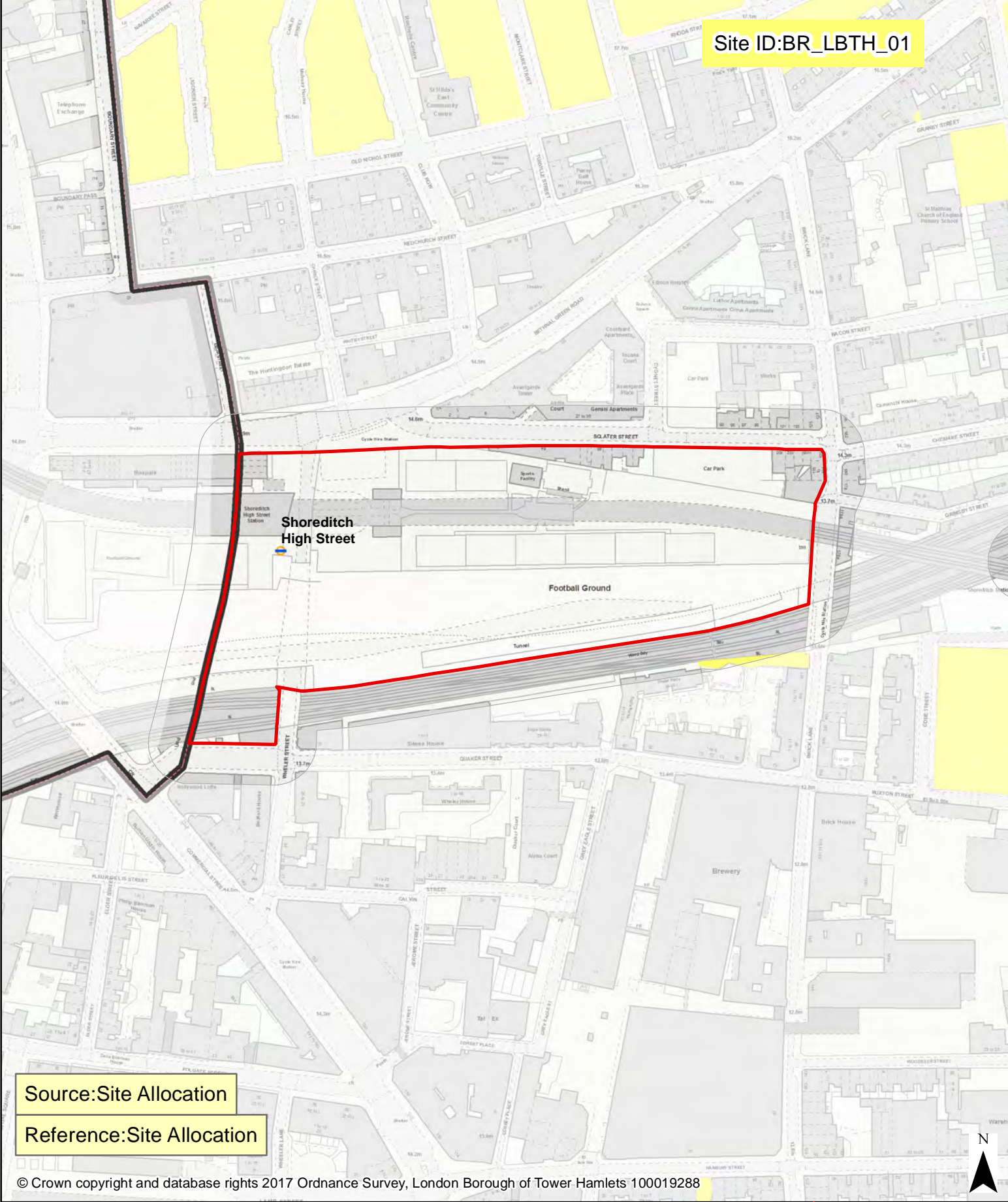
NONE.

Officer contact details for documents: N/A

SiteID	site_name	SHLAA_PA	SiteArea_Hectare
BR_LBTH_01	Bishopsgate Goods Yard	Site Allocation	4.461537361
BR_LBTH_02	Marian Place Gas Works and The Oval	Site Allocation	4.410411358
BR_LBTH_03	Whitechapel South	Site Allocation	12.7169857
BR_LBTH_04	Bow Common Gas Works	Site Allocation	3.942368746
BR_LBTH_05	Chrisp Street Town Centre	Site Allocation	3.922681808
BR_LBTH_06	Ailsa Street	Site Allocation	5.756711006
BR_LBTH_07	Leven Road Gas Works	Site Allocation	8.563029289
BR_LBTH_08	Aspen Way	Site Allocation	4.614783287
BR_LBTH_09	Crossharbour Town Centre	Site Allocation	6.163385868
BR_LBTH_10	Limeharbour	Site Allocation	5.252200127
BR_LBTH_11	Marsh Wall East	Site Allocation	3.607114315
BR_LBTH_12	Marsh Wall West	Site Allocation	6.828705788
BR_LBTH_13	Millharbour South	Site Allocation	4.02248764
BR_LBTH_14	Millharbour	Site Allocation	5.05236578
BR_LBTH_15	Reuters LTD	Site Allocation	2.713852882
BR_LBTH_16	Westferry Printworks	Site Allocation	6.3957057
BR_LBTH_17	42-44 Thomas Road	PA/16/01041	0.305095315
BR_LBTH_18	Old petrol station Leamouth Road	PA/16/01763	0.324524999
BR_LBTH_19	Hercules Wharf, Castle Wharf and Union Wharf Orchard Place	PA/14/03594	2.569012642
BR_LBTH_20	Land at Fleet Street Hill	PA/13/01637	0.398953855
BR_LBTH_21	Site At land adjacent railway viaduct Mantus Road	PA/12/01758	0.283150882
BR_LBTH_22	Glaucus Street/Violet Road	PA/12/02494	0.175855383
BR_LBTH_23	Stroudley Walk Market Stroudley Walk	PA/10/00373	0.863297045
BR_LBTH_24	Whitechapel Station & surrounding land/buildings	Call for Site	0.97492373
BR_LBTH_25	Boatmans House, 2 Selsdon Way, London, E14 9LA	PA/15/03256	0.110849082
BR_LBTH_26	82 West India Dock Road incorporating land to east	PA/16/01920	1.583511114

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Site ID:BR_LBTH_01



Source:Site Allocation

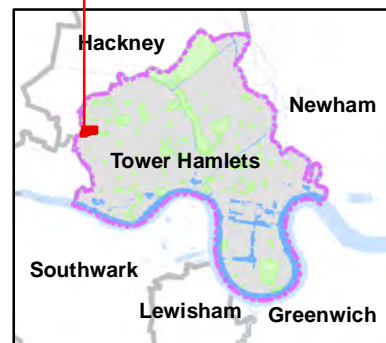
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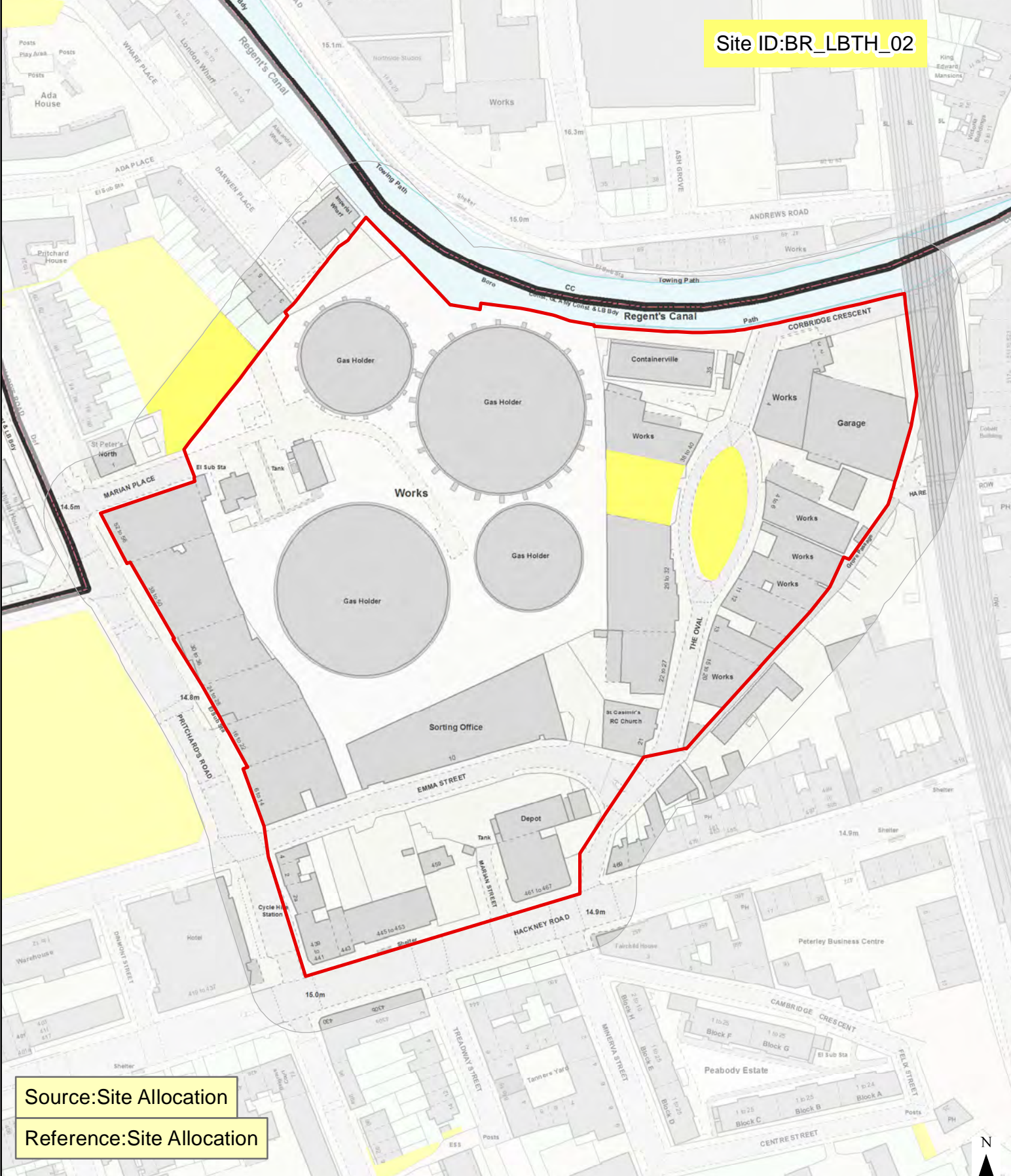
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Bishopgate Goods Yard
SiteID:BR_LBTH_01
Site Area: 4.461537 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_02



Source:Site Allocation

Reference:Site Allocation

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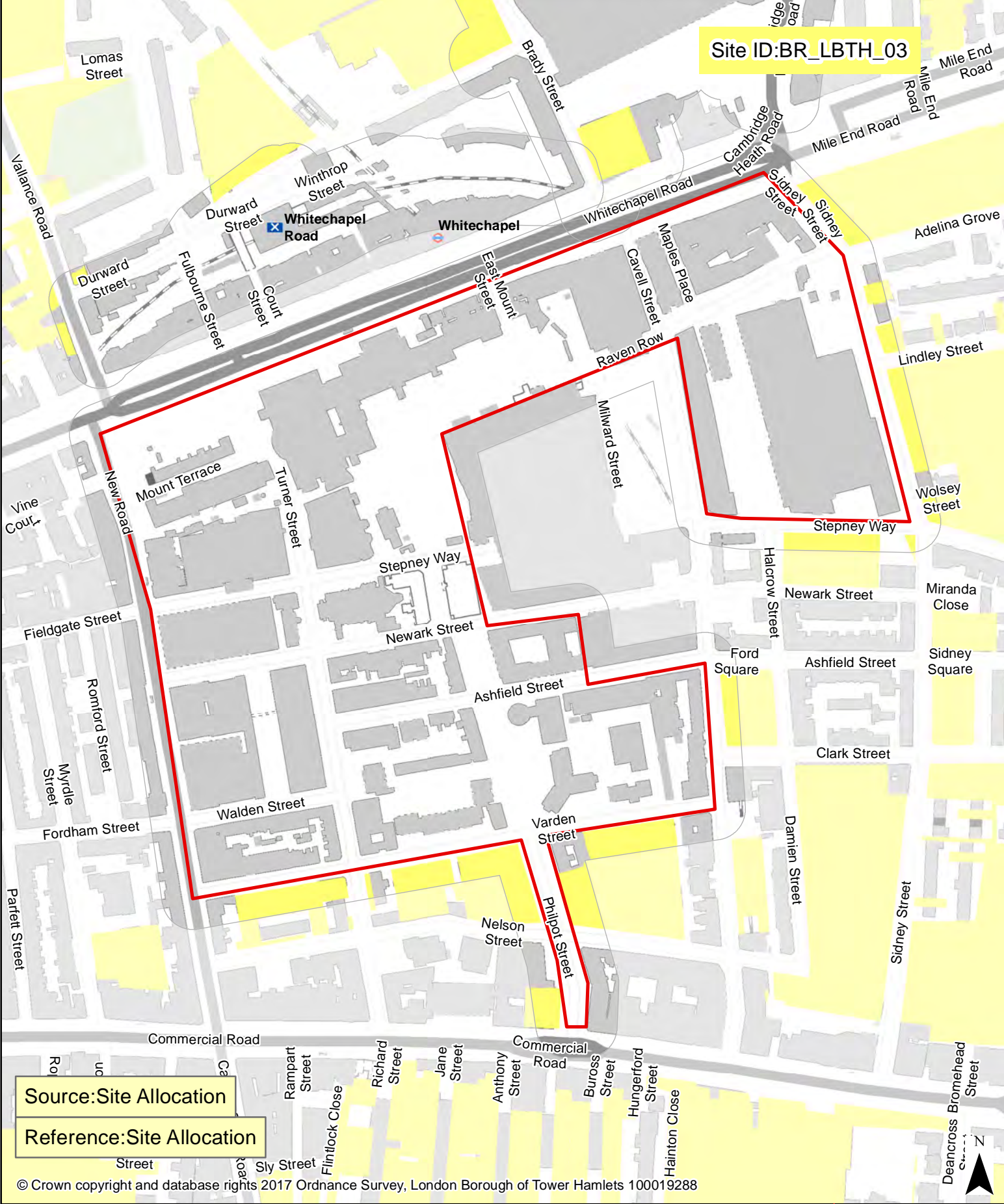
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Marian Place Gas Works and The Oval
SiteID:BR_LBTH_02
Site Area: 4.410411 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID: BR_LBTH_03



Source: Site Allocation

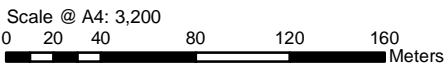
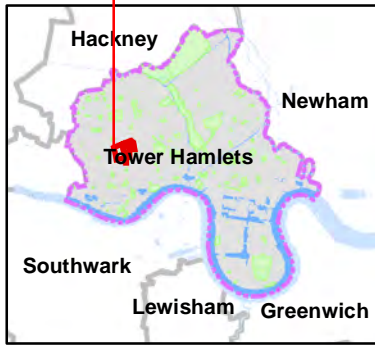
Reference: Site Allocation

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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Whitechapel South
Site ID: BR_LBTH_03
Site Area: 12.71699 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:Site Allocation

Reference:Site Allocation

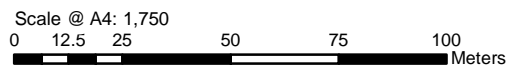
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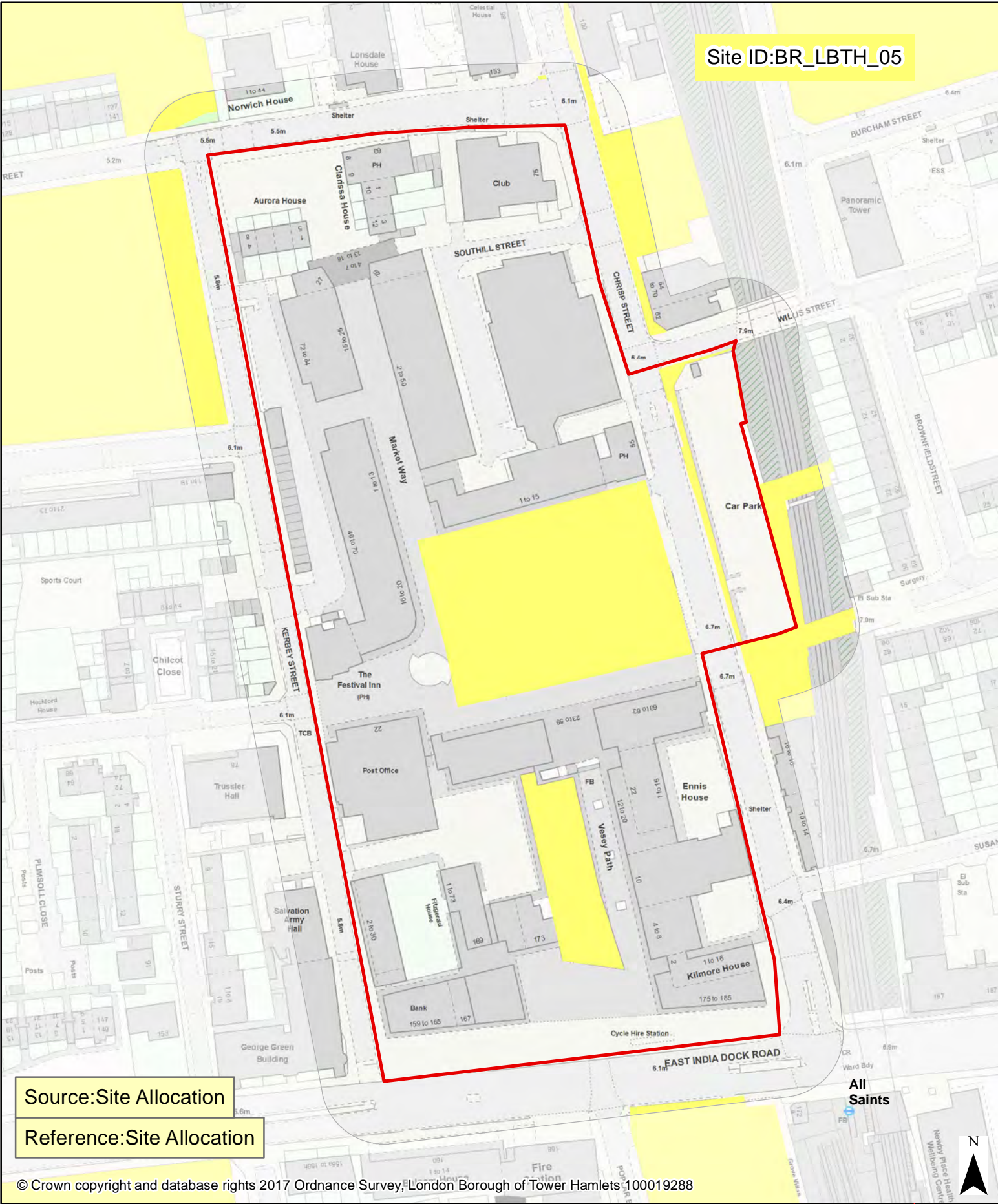


Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Bow Common Gas Works
SiteID:BR_LBTH_04
Site Area: 3.942369 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:Site Allocation

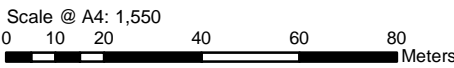
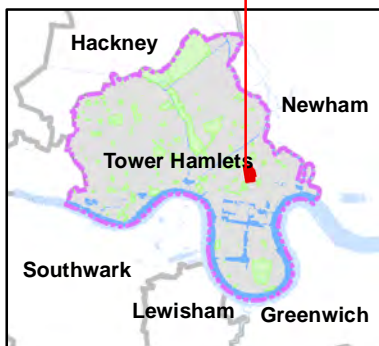
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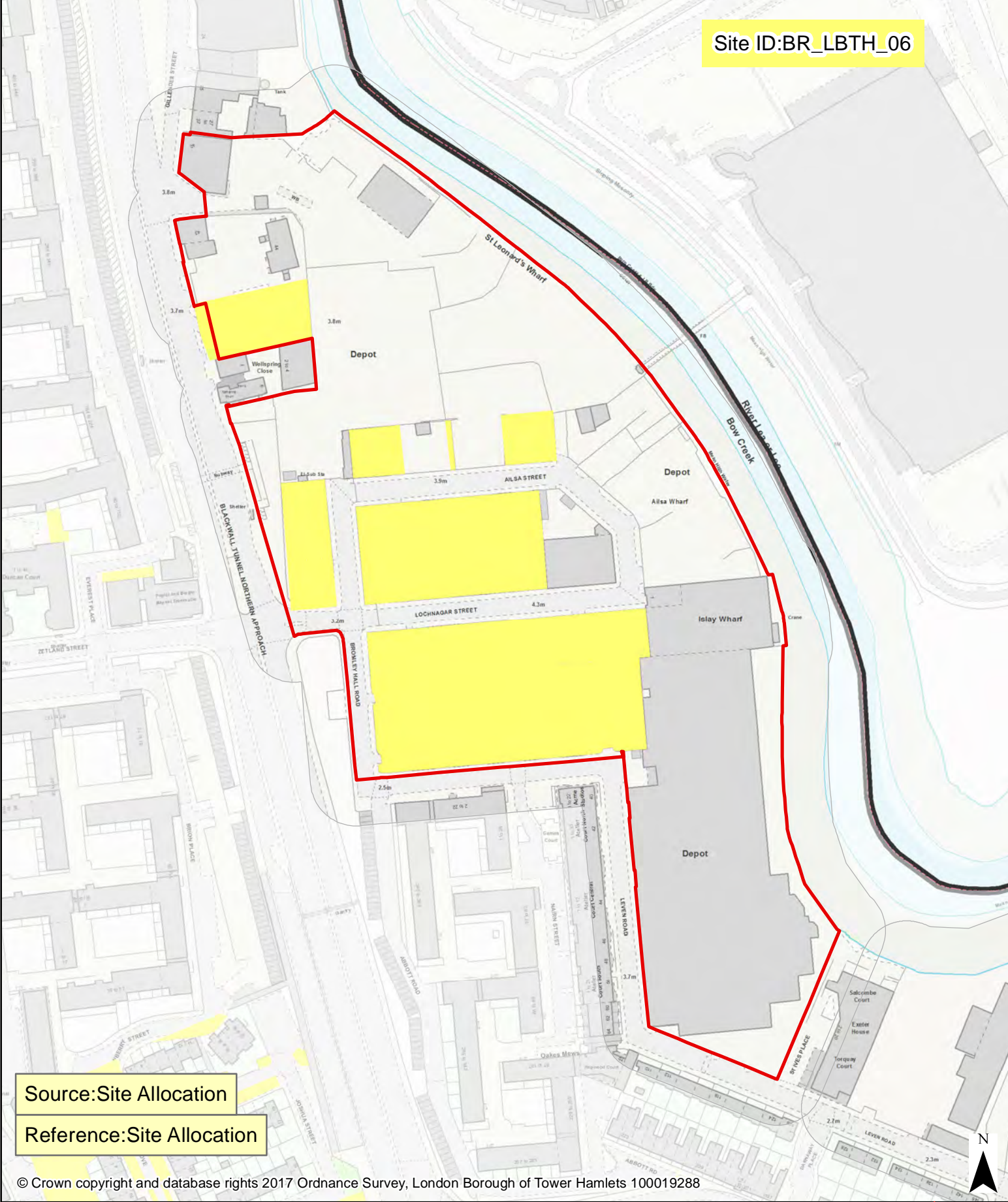
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Crisp Street Town Centre
SiteID:BR_LBTH_05
Site Area: 3.922682 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:Site Allocation

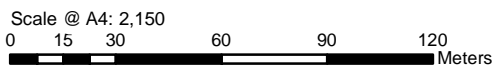
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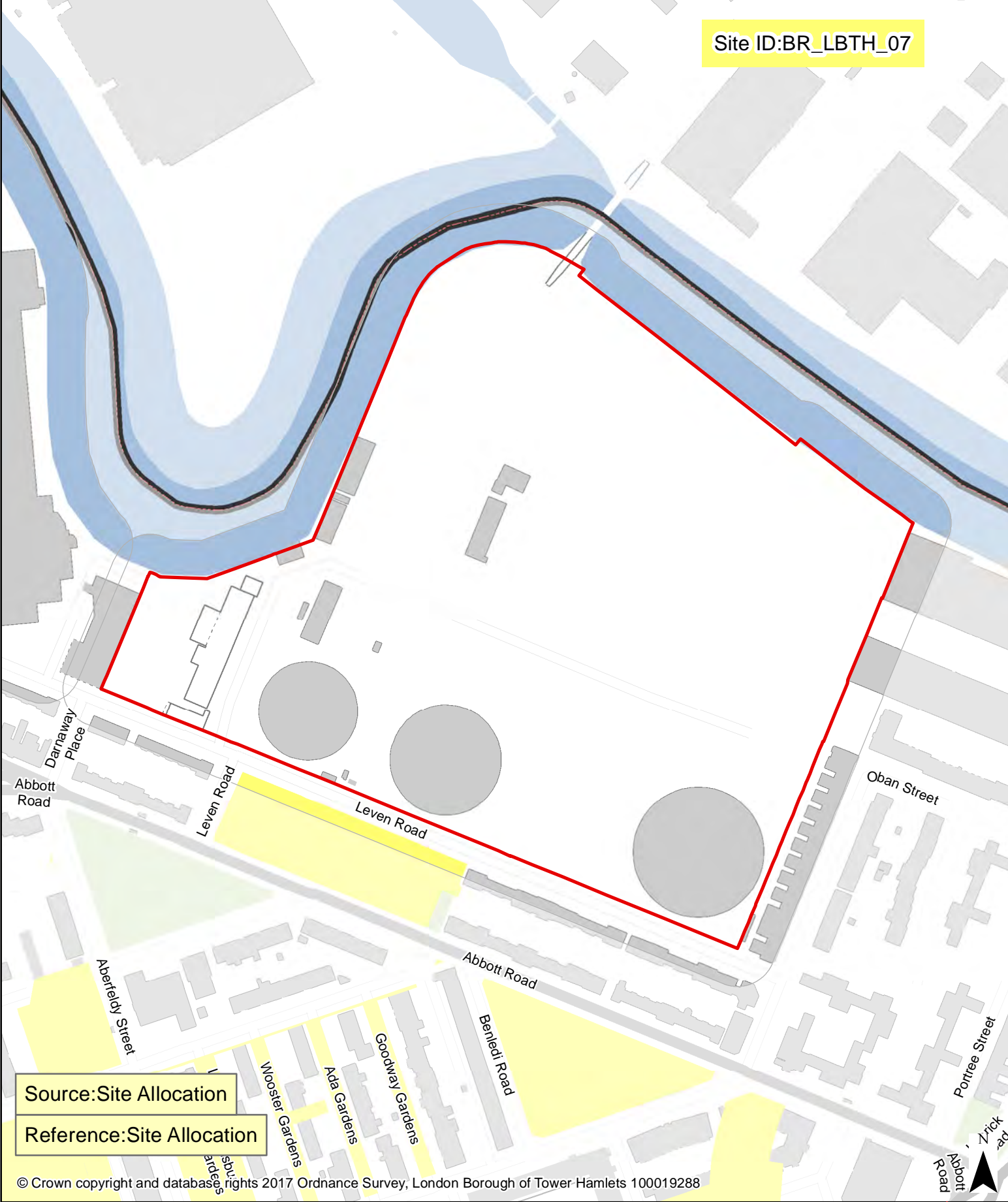
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Ailsa Street
SiteID:BR_LBTH_06
Site Area: 5.756711 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:Site Allocation

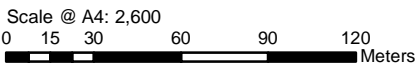
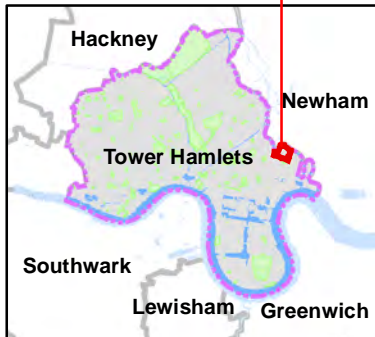
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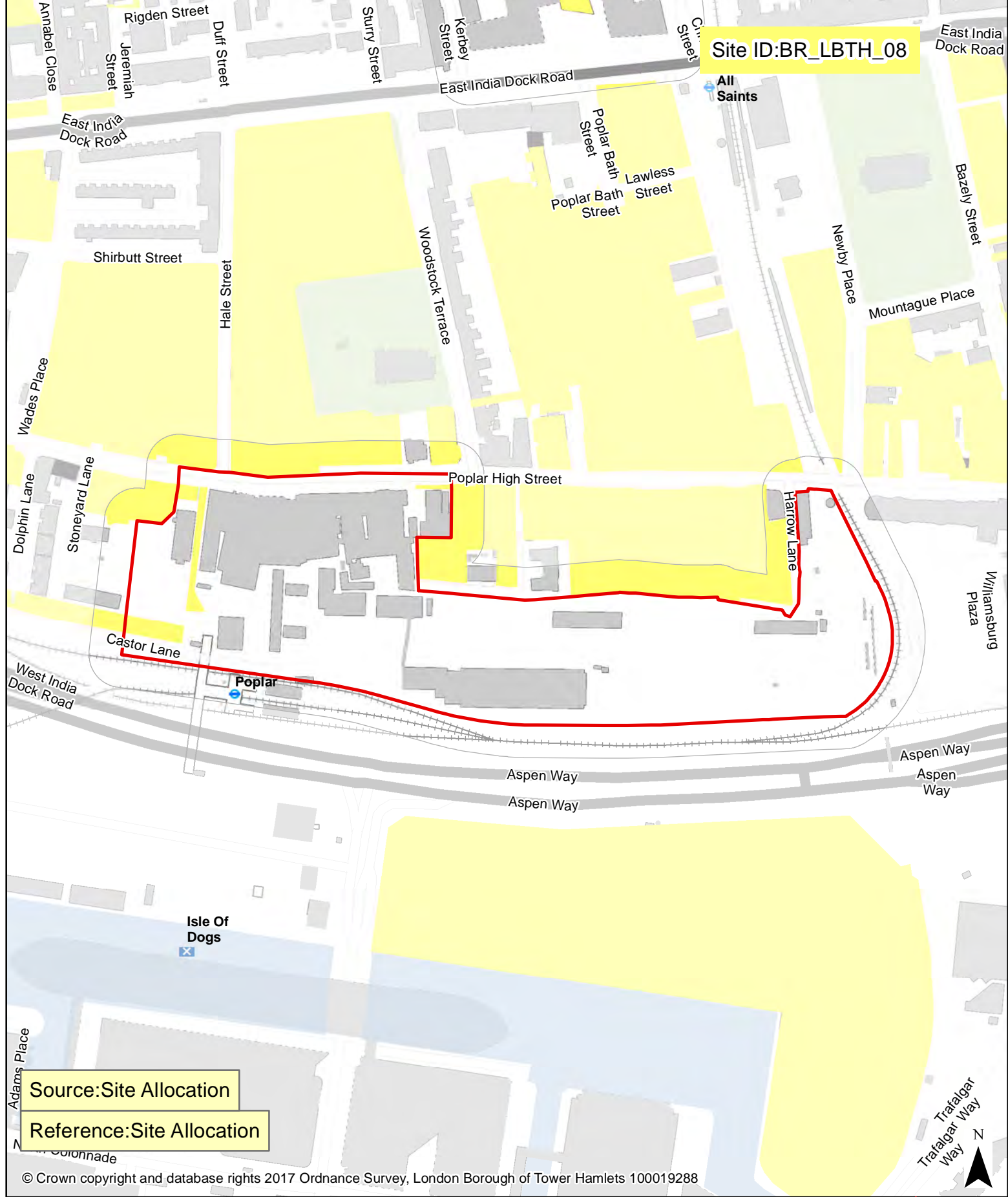
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Leven Road Gas Works
SiteID:BR_LBTH_07
Site Area: 8.563029 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Site ID: BR_LBTH_08

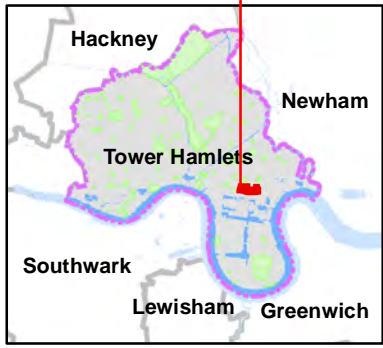
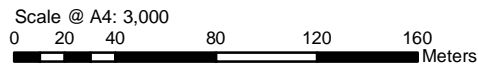
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 Reference: Site Allocation

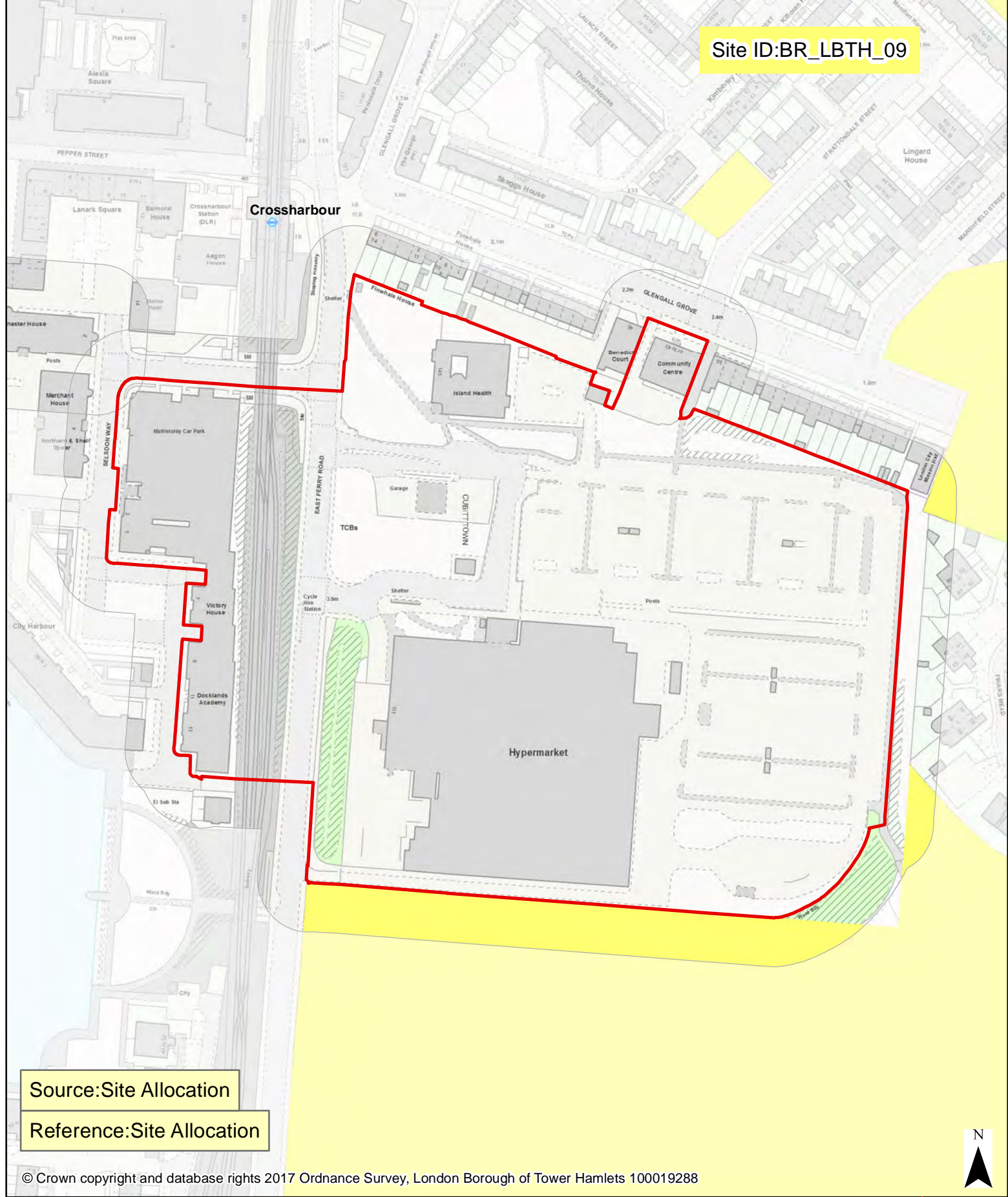
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Aspen Way
 Site ID: BR_LBTH_08
 Site Area: 4.614783 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





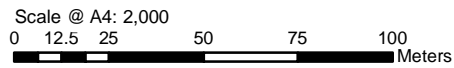
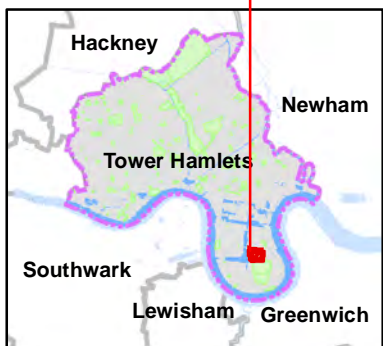
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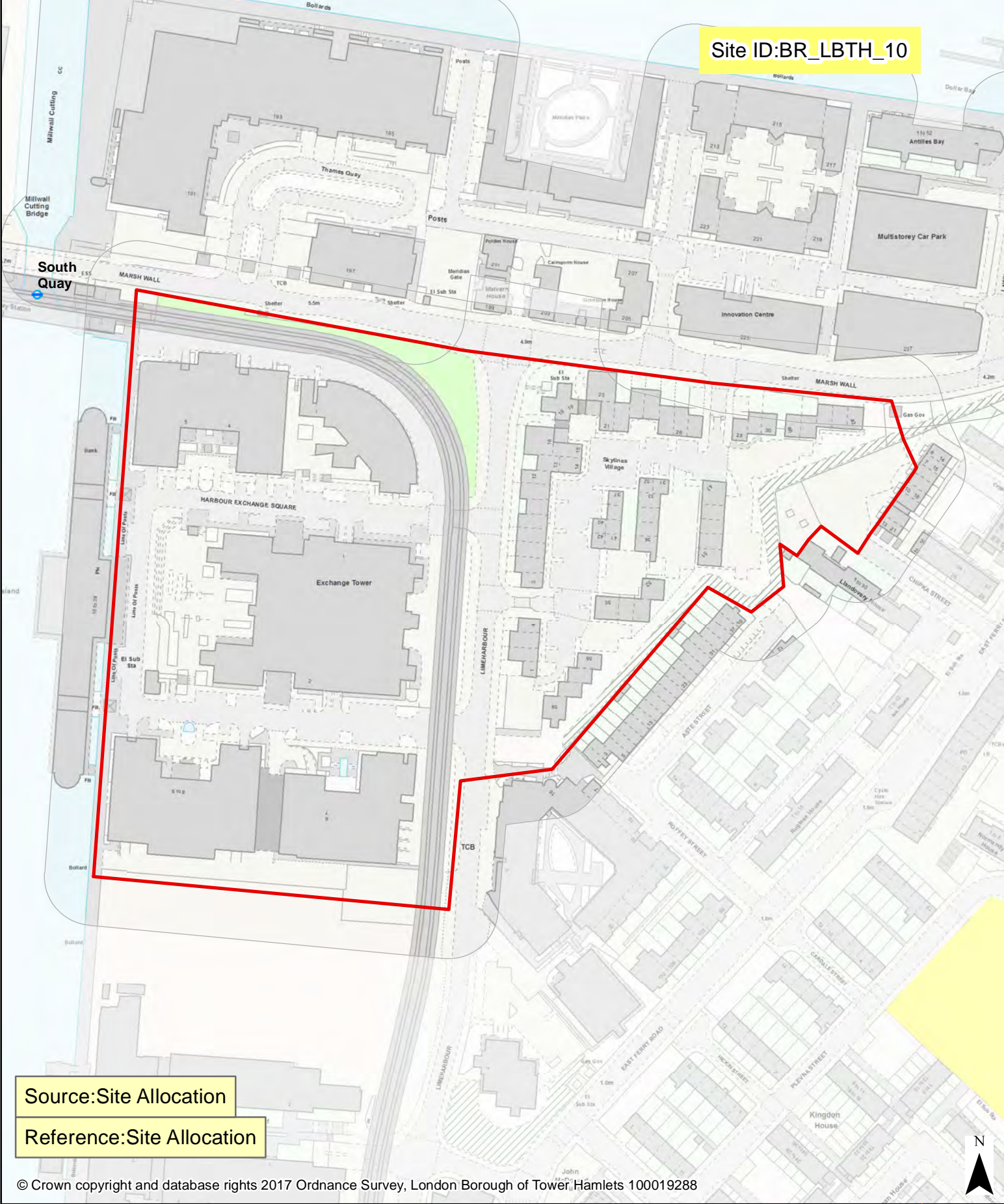
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Crossharbour Town Centre
SiteID:BR_LBTH_09
Site Area: 6.163386 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_10



Source:Site Allocation

Reference:Site Allocation

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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

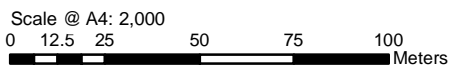
Limeharbour
SiteID:BR_LBTH_10
Site Area: 5.2522 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS

Page 588

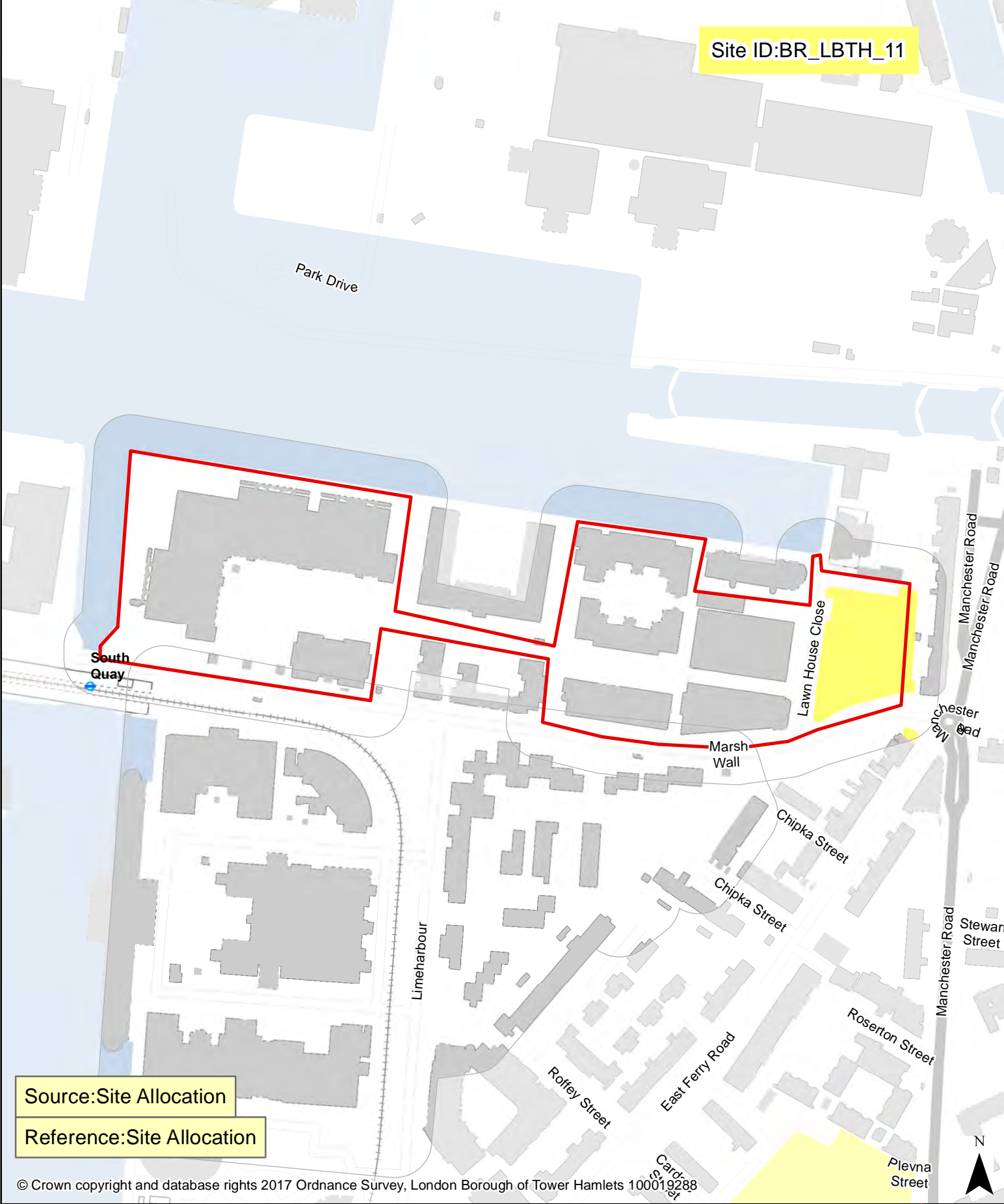


GIS for Place Directorate

LONDON BOROUGH OF TOWER HAMLETS
Date: 28/11/2017



Site ID:BR_LBTH_11



Source:Site Allocation

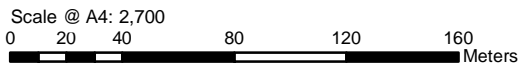
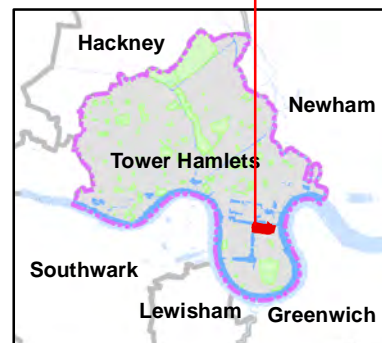
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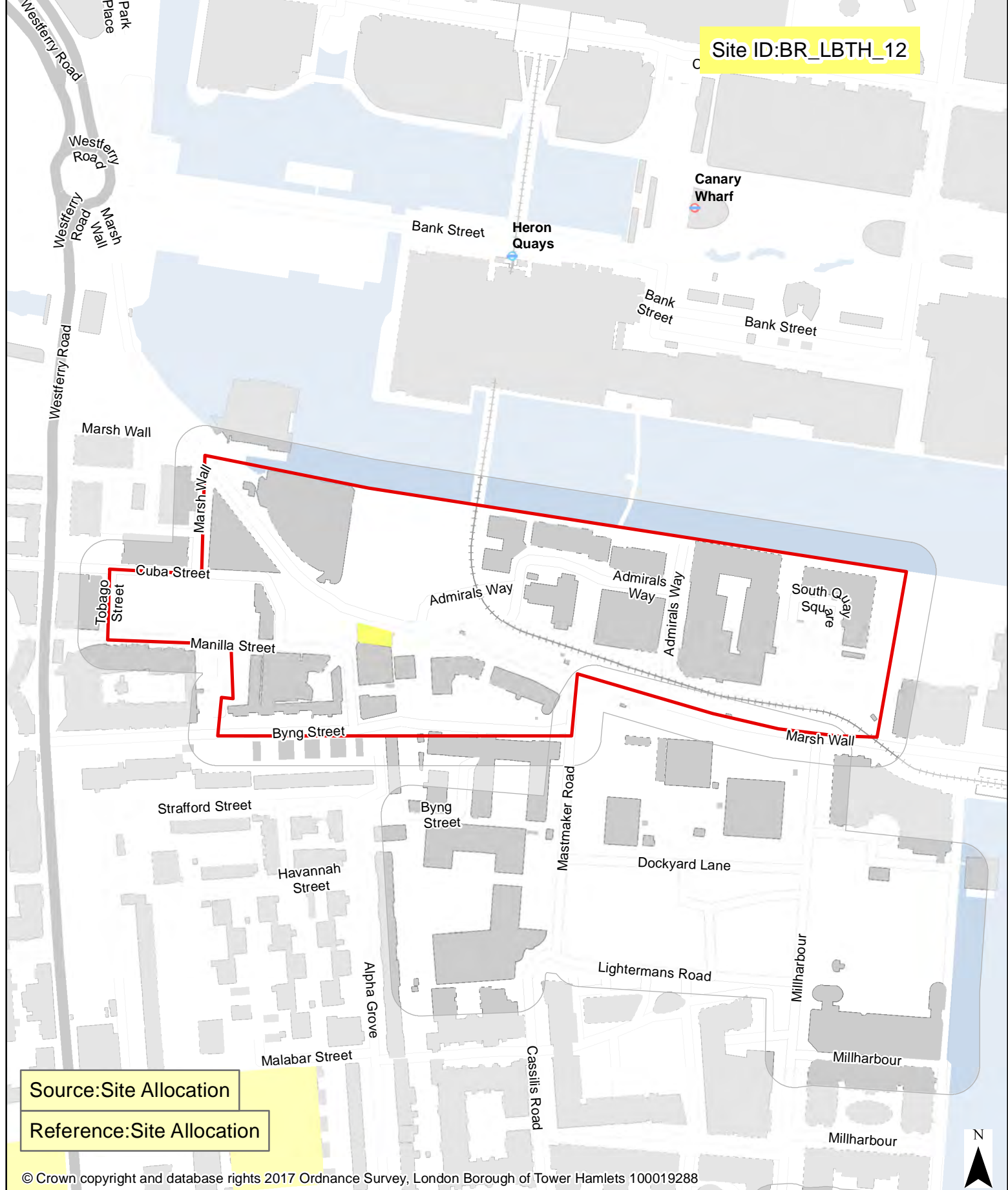
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Marsh Wall East
 SiteID:BR_LBTH_11
 Site Area: 3.607114 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



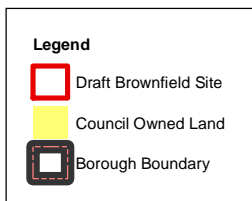
Site ID:BR_LBTH_12



Source:Site Allocation

Reference:Site Allocation

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Marsh Wall West
SiteID:BR_LBTH_12
Site Area: 6.828706 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS

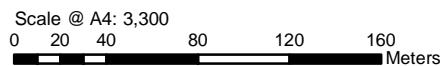
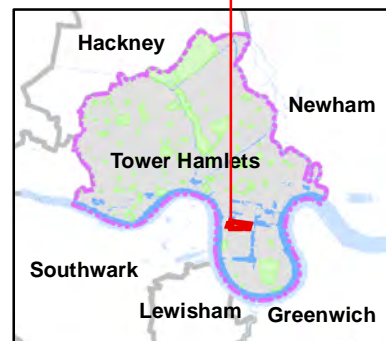
Page 590



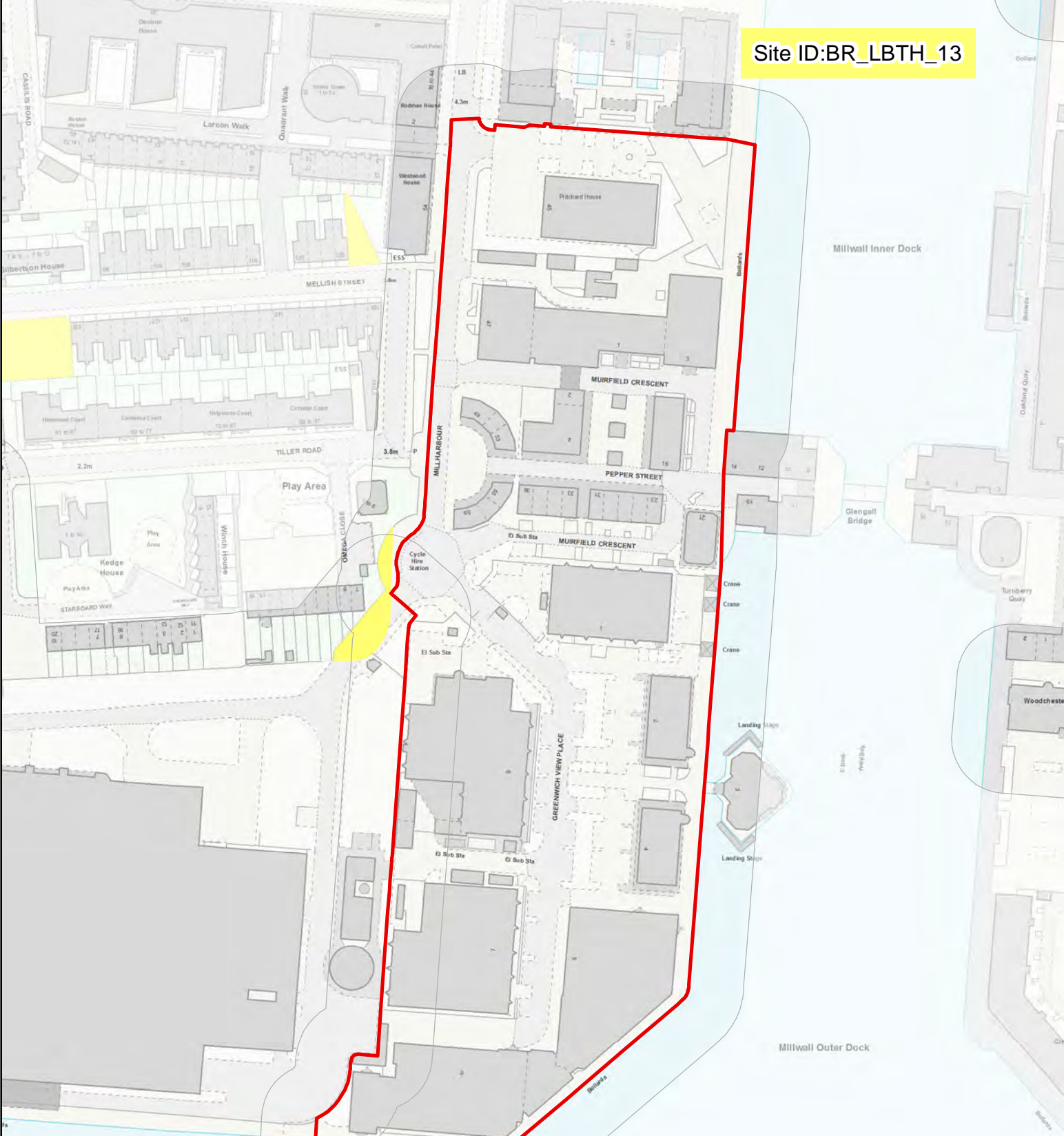
GIS for Place Directorate

LONDON BOROUGH OF TOWER HAMLETS

Date: 28/11/2017



Site ID:BR_LBTH_13



Source:Site Allocation

Reference:Site Allocation

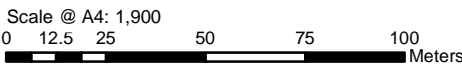
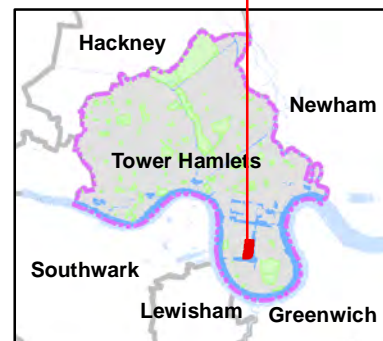
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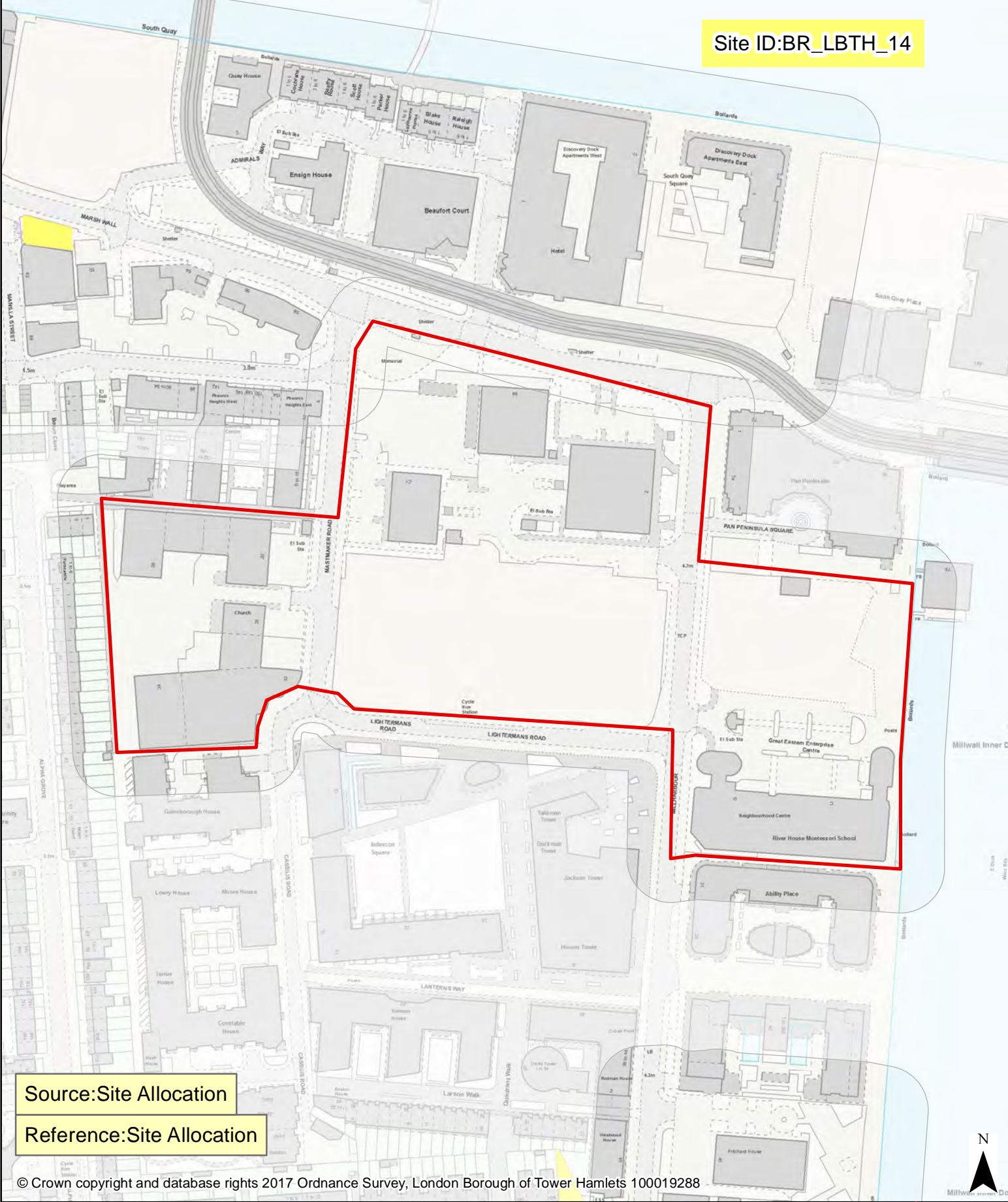


Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Millharbour South
SiteID:BR_LBTH_13
Site Area: 4.022488 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:Site Allocation

Reference:Site Allocation

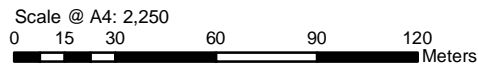
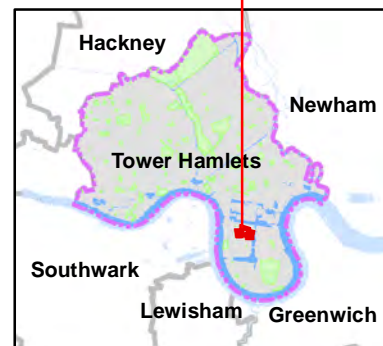
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Millharbour
SiteID:BR_LBTH_14
Site Area: 5.052366 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_15



Source:Site Allocation

Reference:Site Allocation

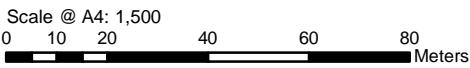
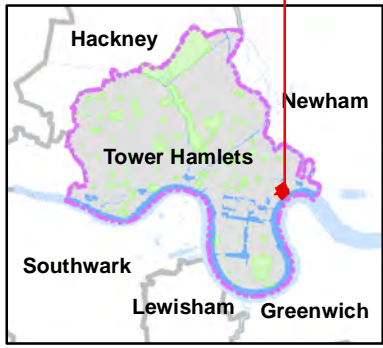
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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Reuters LTD
SiteID:BR_LBTH_15
Site Area: 2.713853 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_16






Source:Site Allocation

Reference:Site Allocation

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Legend

-  Draft Brownfield Site
-  Council Owned Land
-  Borough Boundary

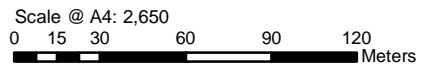
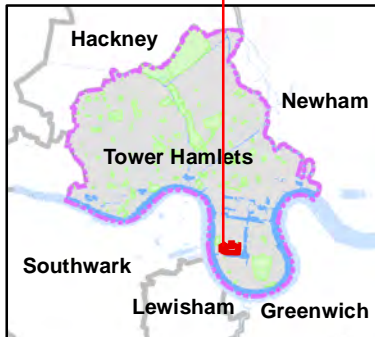
Westferry Printworks
SiteID:BR_LBTH_16
Site Area: 6.395706 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



GIS for Place Directorate

LONDON BOROUGH OF TOWER HAMLETS

Date: 28/11/2017



Site ID:BR_LBTH_17






Source:SHLAA

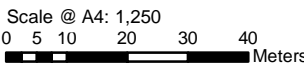
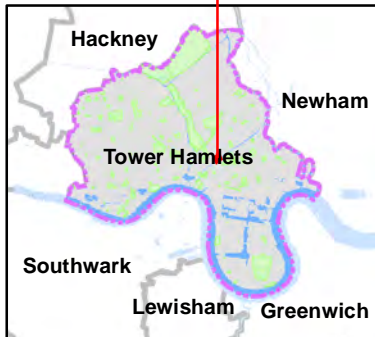
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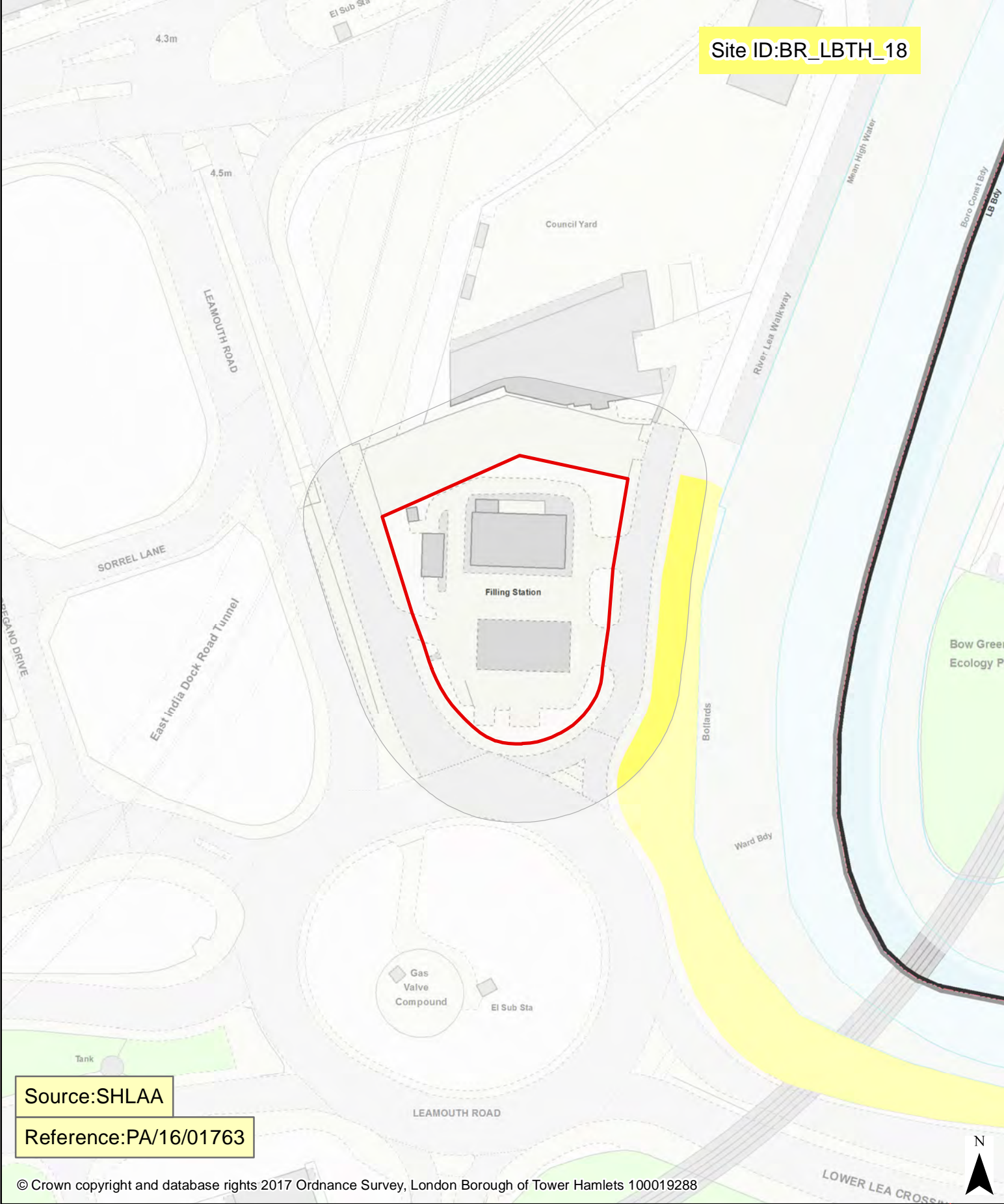
Legend

-  Draft Brownfield Site
-  Council Owned Land
-  Borough Boundary

42-44 Thomas Road
SiteID:BR_LBTH_17
Site Area: 0.305095 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_18






Source:SHLAA

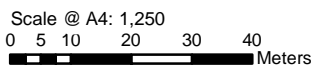
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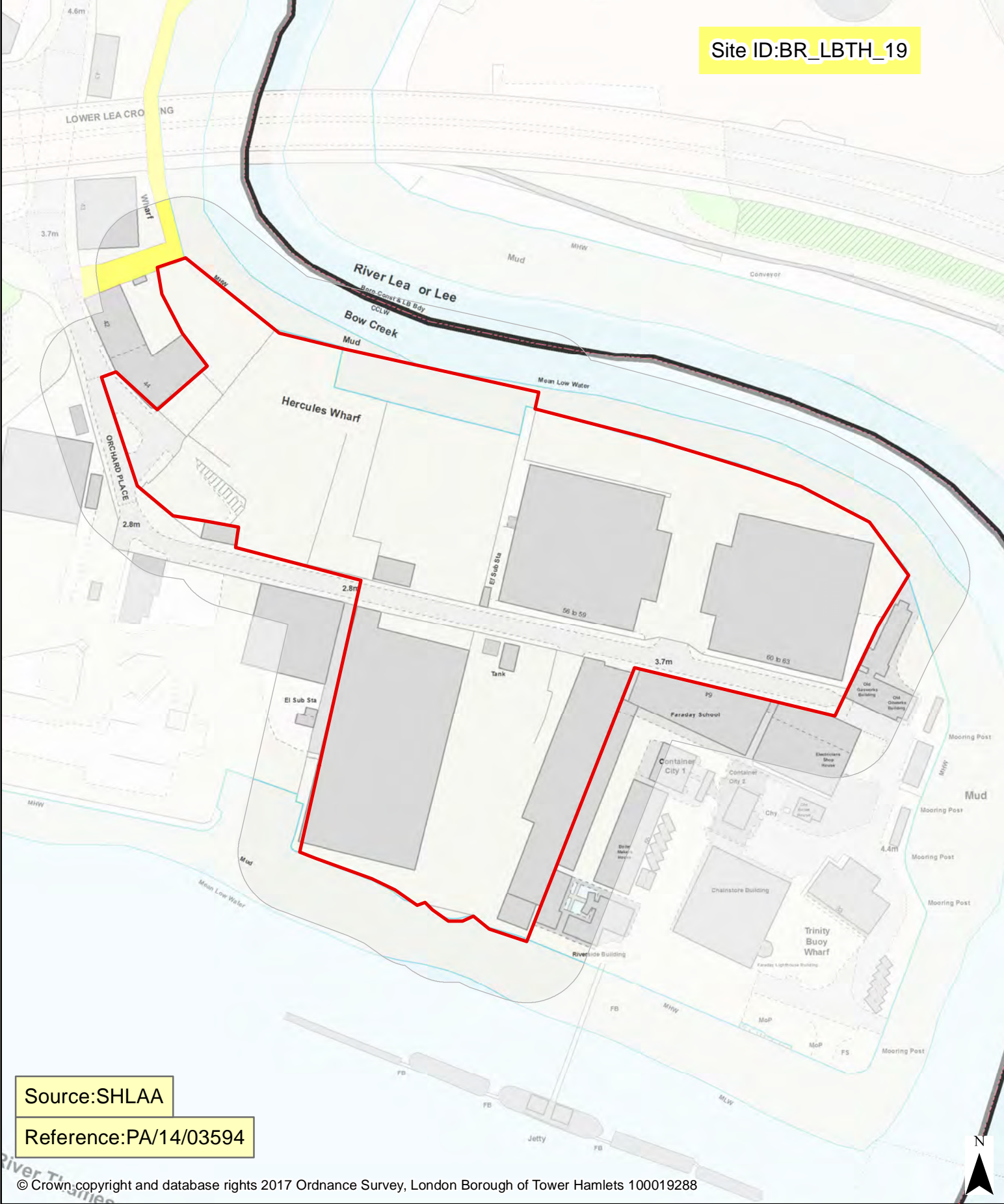
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Legend

-  Draft Brownfield Site
-  Council Owned Land
-  Borough Boundary

Old petrol station Leamouth Road
SiteID:BR_LBTH_18
Site Area: 0.324525 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:SHLAA

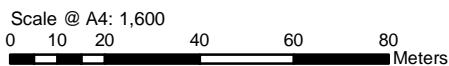
Reference:PA/14/03594

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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Hercules Wharf, Castle Wharf and Union Wharf Orchard Place
SiteID:BR_LBTH_19
Site Area: 2.569013 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_20



Source:SHLAA

Reference:PA/13/01637

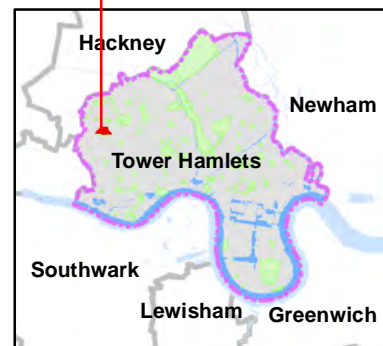
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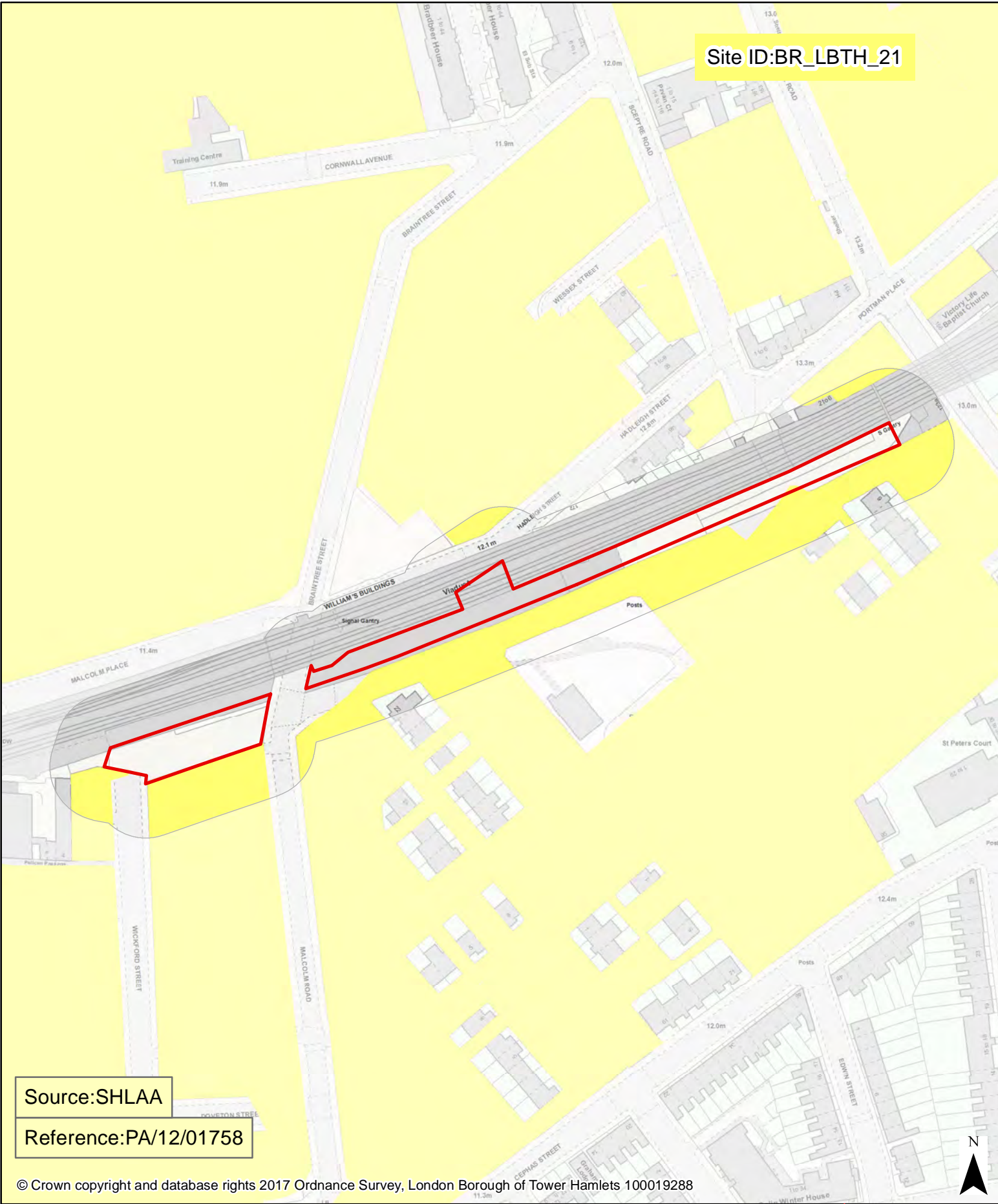


Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Land at Fleet Street Hill
SiteID:BR_LBTH_20
Site Area: 0.398954 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS





Source:SHLAA

Reference:PA/12/01758

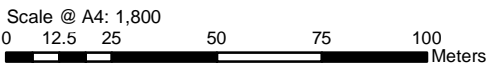
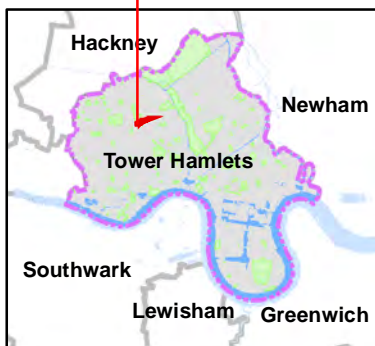
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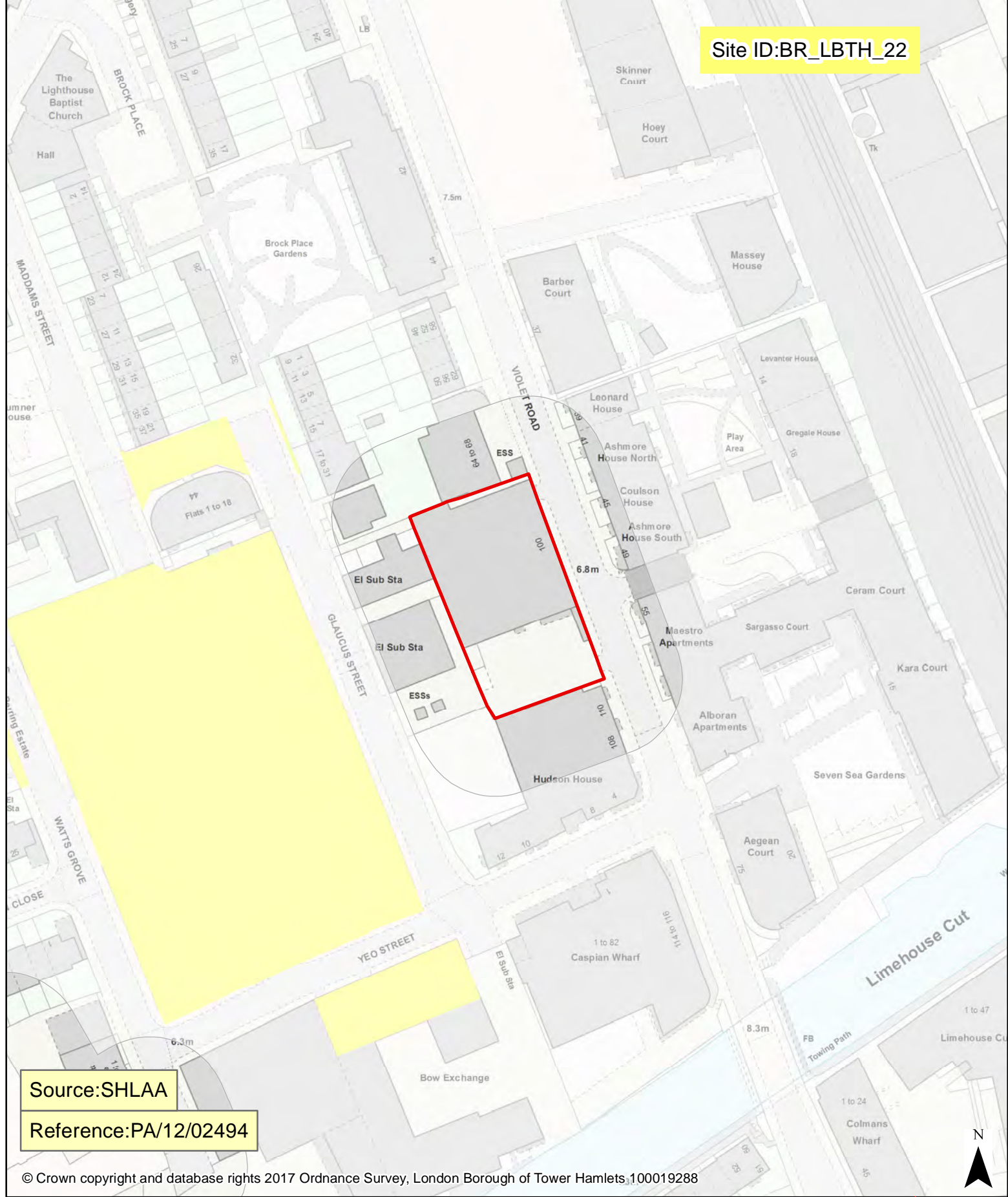
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Site At land adjacent railway viaduct Mantus Road
SiteID:BR_LBTH_21
Site Area: 0.283151 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_22



Source:SHLAA

Reference:PA/12/02494

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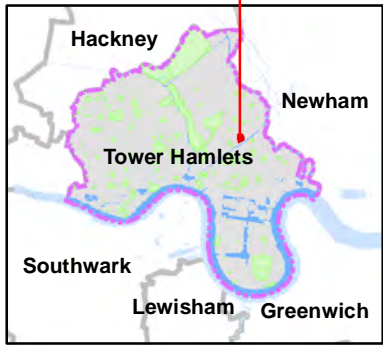
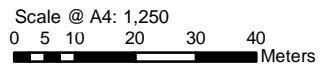
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Glaucus Street/Violet Road
Site ID: BR_LBTH_22
Site Area: 0.175855 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



GIS for
Place Directorate



Site ID:BR_LBTH_23



Source:SHLAA

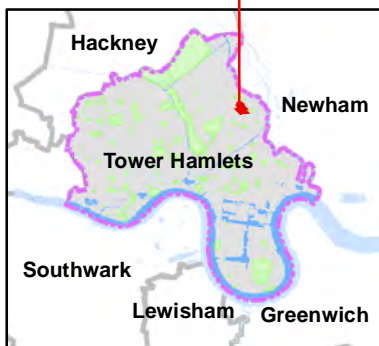
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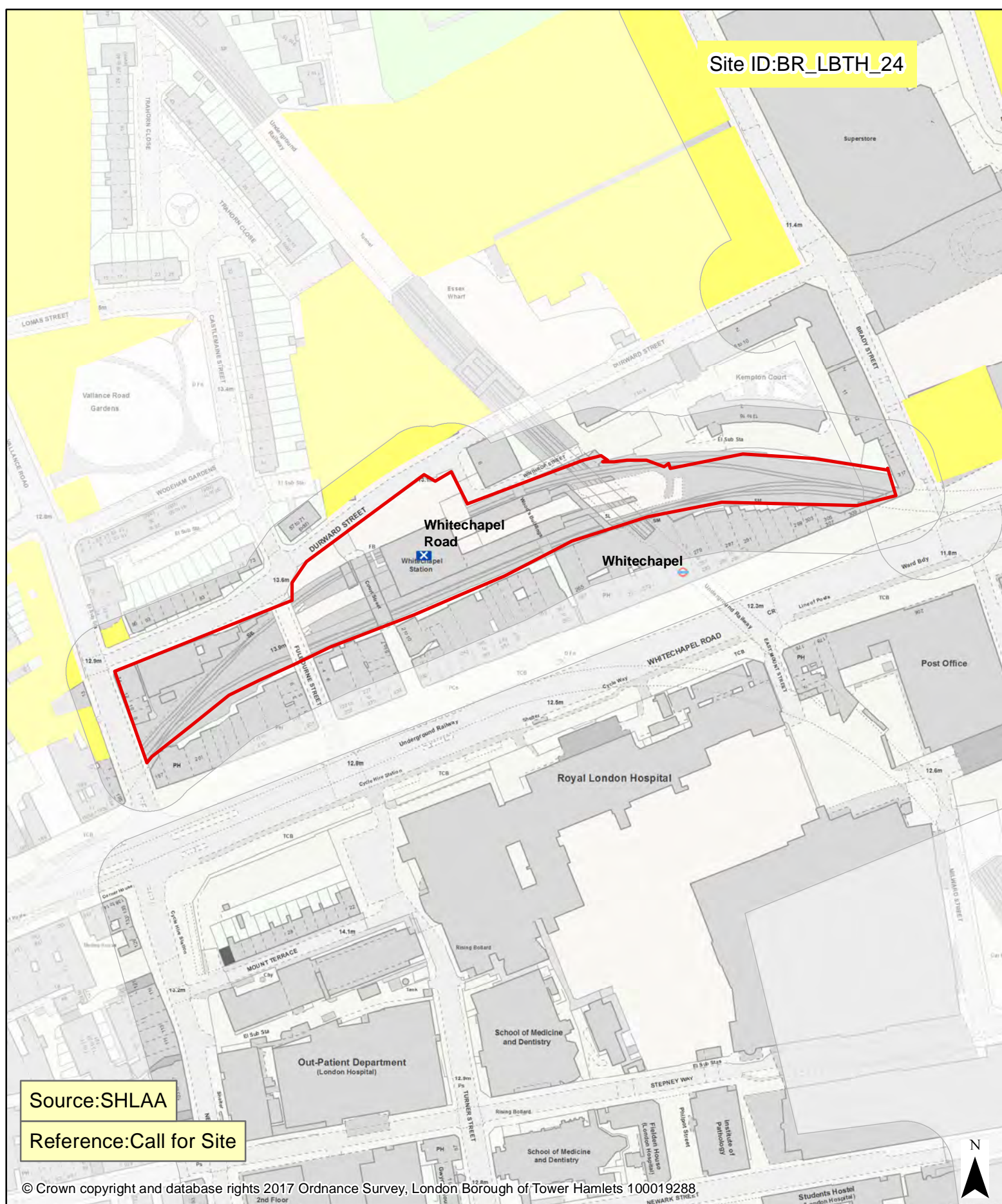
Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

Stroudley Walk Market Stroudley Walk
SiteID:BR_LBTH_23
Site Area: 0.863297 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



Scale @ A4: 1,250
 0 5 10 20 30 40
 Meters



Source:SHLAA

Reference:Call for Site

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Legend

- Draft Brownfield Site
- Council Owned Land
- Borough Boundary

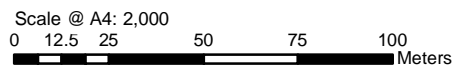
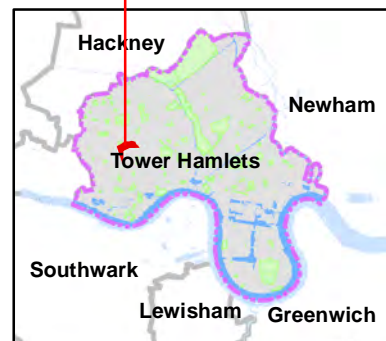
Whitechapel Station & surrounding land/buildings

SiteID:BR_LBTH_24

Site Area: 0.974924 Ha

DRAFT BROWNFIELD SITES

LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_25



Source:Refused Planning Application

Reference:PA/15/03256

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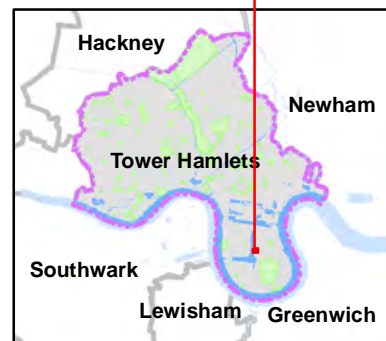
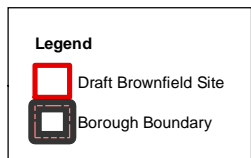
Boatmans House, 2 Selsdon Way, London, E14 9LA

SiteID:BR_LBTH_25

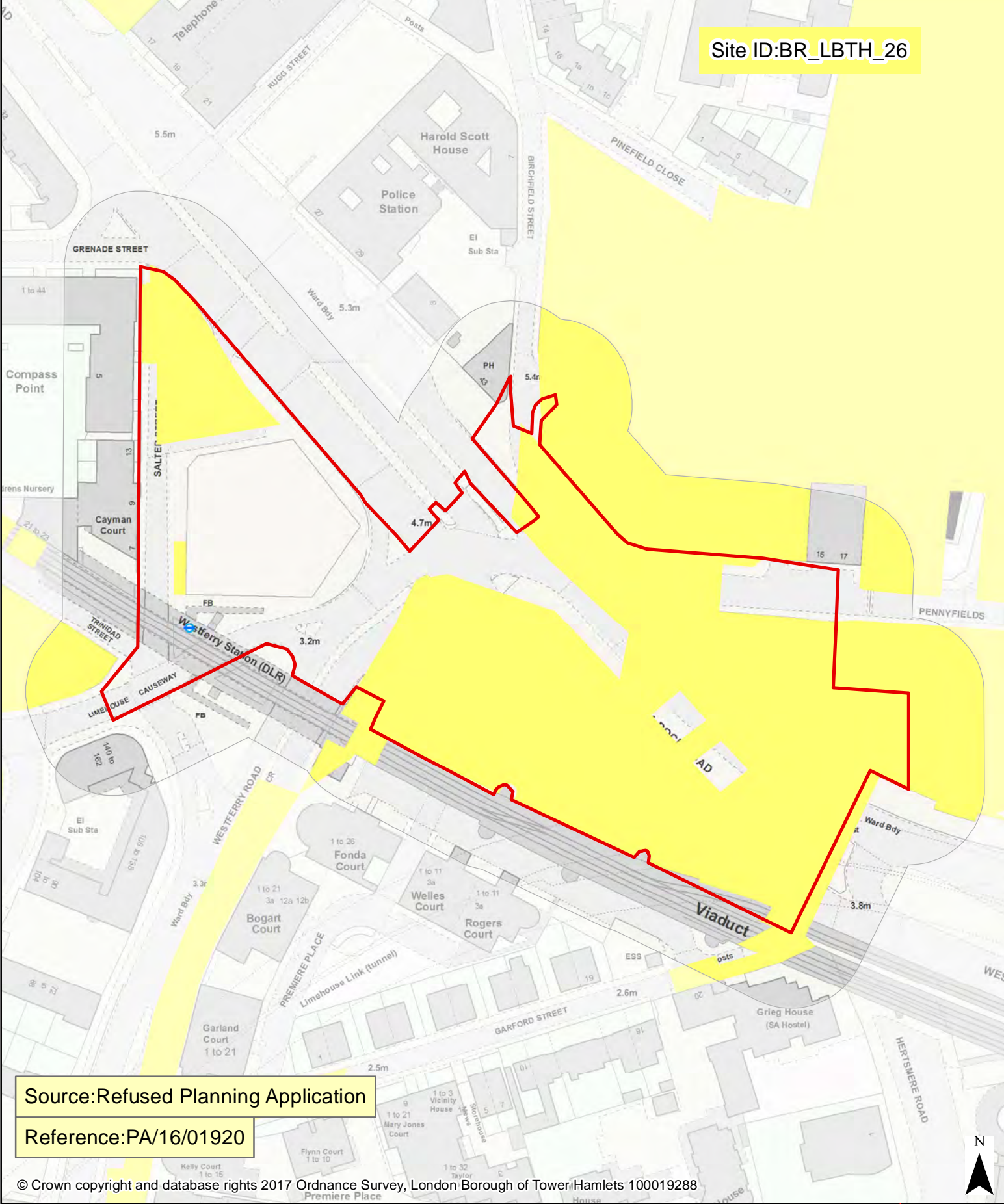
Site Area: 0.110849 Ha

DRAFT BROWNFIELD SITES

LONDON BOROUGH OF TOWER HAMLETS



Site ID:BR_LBTH_26

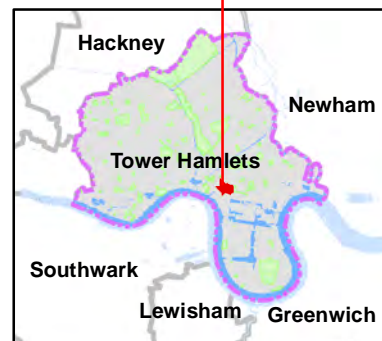
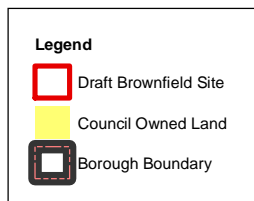


Source:Refused Planning Application

Reference:PA/16/01920

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82 West India Dock Road incorporating land to east
SiteID:BR_LBTH_26
Site Area: 1.583511 Ha
DRAFT BROWNFIELD SITES
LONDON BOROUGH OF TOWER HAMLETS



<p>Cabinet</p> <p>19 December 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Corporate Directors' Decisions</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Abdul Miah, Accountant - Financial Planning
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This report sets out Corporate Directors' decisions under Financial Regulation B10 which stipulates that Corporate Director 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' decisions 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 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 decisions 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 three new Corporate Directors' Decisions with a value of between £100,000 and £250,000 since the last report on 13th June 2017. The total value of these decisions is £478,908 and further details on each decision are provided within Appendix 1.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The comments of the Chief Financial Officer have been included on each individual decision. There are no further financial implications arising from this report.
- 4.2

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.
- 5.3 Each Director's decision requires prior authorisation by the relevant Divisional Director, 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 a register of these must be maintained by each directorate.
- 5.4 The legal implications of each of the individual decisions are provided as part of the decision making process and are recorded on the relevant form.

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 Addams, Finance Business Partner, Place, Ext. 5212
- Sandra Smith, Interim Finance Business Partner, Children Services ,Ext. 0672
- Becky Booker, Finance Business Partner, Health, Adults and Community

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
Ann Sutcliffe Place	020-2017/18	£190,000	Adoption of capital estimates for projects to continue the delivery of the Sustainable Urban Drainage Systems (SUDS)	<p>This decision seeks to adopt the following capital estimates for inclusion in the 2017/18 capital programme. S106 funding was secured to deliver the Sustainability Urban Drainage System (SUDS); creation of the green space and green corridor, improved biodiversity, and improvements in water quality and air quality throughout the borough. The following schemes have been agreed in line with the requirements of the s106 agreement;</p> <ul style="list-style-type: none"> • Spindrift Avenue - A landscaped SUDS scheme incorporating permeable paving, rain gardens, possible Stockholm tree pits and a swale(PA/06/2309 & PA06/2310) • St Leonards Street - Creation of a community green space/ pocket park - possibility part of a SUDS scheme. Planting to include trees to screen for noise and air pollution, nectar rich planting and seating area (PA/06/2068 & PA/06/2312) • Sale Street - Creating a pocket park and rain garden while improving the pedestrian and cycle routes. Works include landscaping and creating a rain garden to improve the walking connection between Weavers Field and St Matthews Church Garden (PA/06/2068 & PA/06/2307) • Boundary Estate Redchurch Street/Old Nichol Street - installation of raised beds/wall/basket planters 		26/07/2017	Paul Whitfield Highway Manager ext: 6866
Denise Radley Health, Adults and Community	022-2017/18	£125,227	Waiving Financial Regulations to extend an existing contract beyond the original term of the agreement with Barts Health NHS Trust for the provision of the Young People Sexual Health Service.	<p>The contract for the Young People Sexual Health Service, which is currently provided by Barts Health NHS Trust, ends on 14th October 2017. The intention is to procure a new integrated Health and Wellbeing service for young people that would provide sexual health, substance misuse and other elements.</p> <p>A procurement process was started in April 2017, however, due to limited responses and unsatisfactory tenders received a decision was taken to abandon this and start a fresh procurement process, which was advertised on 15th June 2017. It is anticipated that following the second phase procurement a new contract will be implemented on 1st January 2018.</p> <p>This necessitates an interim two and a half month contract for the young people sexual health service with the existing supplier between 15 October 2017 and 31st December 2017.</p>	Barts Health NHS Trust 9 Prescott Street London E1 8PR	27/09/2017	Reha Begum Senior Public Health Strategist ext: 7072
Denise Radley Health, Adults and Community	032-2017/18	£163,681	Waiving Financial Regulations to award a direct contract to Barts Health NHS Trust for the provision of Contraception and Sexual Health Services.	<p>The Council is participating in a collaborative procurement of new integrated sexual health services contracts with other boroughs. The contracts will replace the current contract ESCW PH 4463 TH CASH. The collaborative procurement was delayed due to the cyber-attack on the NHS which took part in the middle of the procurement process. As a result of this and additional clarification meetings with the bidder the new contract is due to start on the 1st December 2017 rather than 1st October 2017 (47 days delay).</p> <p>Although Barts have been notified of preferred bidder status, the signing of the contract is pending (which has to be undertaken by all of the boroughs before the contract can commence) and past experience would suggest that the 1st December 2017 date may slip if there are delays in the contract signature process. As such an additional 20 days of provision to be extended on a weekly basis is also included within this request to allow for any slippage. Weekly mobilisation meetings have been scheduled with Barts and a detailed project delivery timeline.</p> <p>As the service is a mandatory public health service the Council must provide a service in the interim and an interim contract for the CASH contract is therefore proposed until 30th November 2017 with facility for a further extension until 20th December. The cost is £163,681 (67 days) until 20th December. The cost will be met from the public health grant from the sexual health budget. Provision has been made in the public health budget.</p>	Barts Health NHS Trust 9 Prescott Street London E1 8PR	24/10/2017	Keith Williams Public Health Commissioning Programme Manager ext: 1523

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