

CABINET

MAYOR

Mayor John Biggs

CABINET MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Rachel Blake	(Deputy Mayor and Cabinet Member for Regeneration and Air Quality)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety and Equalities)
Councillor Amina Ali	(Cabinet Member for Culture, Arts and Brexit)
Councillor David Edgar	(Cabinet Member for Environment)
Councillor Danny Hassell	(Cabinet Member for Children, Schools and Young People)
Councillor Denise Jones	(Cabinet Member for Adults, Health and Wellbeing)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)

[The quorum for Cabinet is 3 Members]

MEETING DETAILS

Wednesday, 27 June 2018 at 4.00 p.m.
C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

The meeting is open to the public to attend.

Further Information

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

Contact for further enquiries:

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

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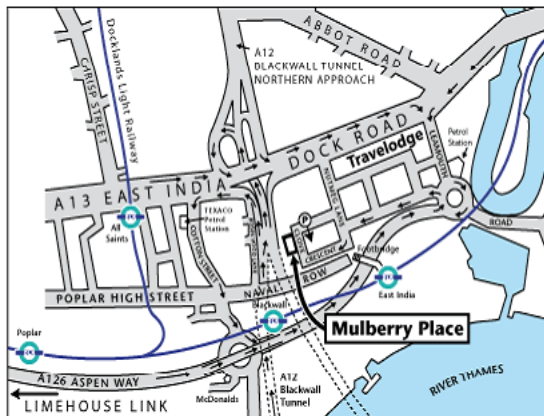
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A Guide to CABINET

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: **Friday, 29 June 2018**
- The deadline for call-ins is: **Friday, 6 July 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

WEDNESDAY, 27 JUNE 2018

4.00 p.m.

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS	9 - 12
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	13 - 28
The unrestricted minutes of the Cabinet meeting held on Tuesday 27 March 2018 are presented for approval.	
4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR	
5. OVERVIEW & SCRUTINY COMMITTEE	
5.1 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.	
5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6 .1	Children's Services Improvement- Quarterly Progress Report (Quarter 4 17/18)	29 - 48
<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 which rated our services 'inadequate'. The Council's improvement plan aims to achieve a standard of 'good' by April 2019.</p> <p>Endorsement is sought for the progress made in delivering the Children's Services improvement Programme.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Children, Schools and Young People Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		
6 .2	Draft Waste Management Strategy and Future Service Delivery Options	49 - 108
<p>Report Summary: The Council last adopted a Waste Management Strategy in 2003 and since that time legislative framework surrounding waste management has changed significantly</p> <p>Wards: All Wards Lead Member: Deputy Mayor for Regeneration and Air Quality Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		
6 .3	Securing the future of Early Years services - local authority day nurseries	Report to follow
<p>Report Summary: Approve implementation of the proposal to seek new operators for the council's three childcare day nurseries, for transition in September 2018</p> <p>Wards: All Wards Lead Member: Cabinet Member for Children, Schools and Young People Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p>		

6 .4	Isle of Dogs Neighbourhood Plan Examiner's Report and Council's Response (Regulation 25)	109 - 144
<p>Report Summary: This report notes the Isle of Dogs Neighbourhood Plan Report of Examination (Appendix 1) received on the 7th of June 2018 and the Examiner’s recommendation that the draft Neighbourhood Plan does not meet the basic conditions stipulated by legislation and therefore is refused and cannot proceed to referendum.</p> <p>As required by the Town and Country Planning Act 1990 (as amended) this report considers the recommendations in the report and decides what action to take in relation to each and make a decision regarding whether the draft neighbourhood plan meets the basic conditions and legal requirements, or could meet the basic conditions and legal requirements, if modifications were made to the draft Plan.</p> <p>To agree with the Examiner’s recommendations and therefore that the plan proposal be refused and not proceed to referendum.</p> <p>As required by statutory deadlines, to make this within 5 weeks from the 8th of June.</p> <p>Wards: Blackwall & Cubitt Town; Canary Wharf; Island Gardens Lead Member: Deputy Mayor for Regeneration and Air Quality Corporate Priority: Creating and maintaining a vibrant, successful place</p>		

6 .5	Provisional Outturn report 2017-18	145 - 186
<p>Report Summary: The report will set out the 2017/18 provisional financial outturn position for the Council. Following the end of the financial year the Council’s auditors will undertake the statutory audit of the Council’s statement of accounts. Once the audit has been completed, the final outturn position will be confirmed.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Resources and the Voluntary Sector Corporate Priority: (All Corporate Priorities)</p>		

6 .6	2017-18 year-end Strategic Performance Monitoring	187 - 208
<p>Report Summary: To note the year-end strategic plan 2018-19 monitoring report, encompassing, strategic plan activities and key strategic performance indicator monitoring.</p> <p>Wards: All Wards Lead Member: Mayor Corporate Priority: (All Corporate Priorities)</p>		

Report Summary:

- To note the Contracts Forward Plan at Appendix 1 to the report.
2. To confirm that all contracts can proceed to contract award after tender.
 3. To authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to in recommendation 2 above.
 4. To note the procurement forward plan 2018-22 schedule detailed in Appendix 2 to the report

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

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

8. EXCLUSION OF THE PRESS AND PUBLIC

Should any exempt information be presented to the meeting and the Mayor in Cabinet consider it necessary, it is recommended that the following motion be adopted to allow consideration of any exempt/restricted documents.

“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)

Any Exempt / Confidential (Pink) Committee papers presented 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 hard copy papers after the meeting, please hand them to the Committee Officer present.

9. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

10. OVERVIEW & SCRUTINY COMMITTEE

10 .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.

10 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

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

11. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

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

Next Meeting of the Committee:

Wednesday, 25 July 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 5.10 P.M. ON TUESDAY, 20 MARCH 2018

**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 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)

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 Amina Ali	(Cabinet Member for Environment)
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Officers Present:

Desmond Adumekwe	(Planning Compliance Manager)
Mark Baigent	(Interim Divisional Director, Housing and Regeneration)
Paul Buckenham	(Development Manager, Planning Services, Place)
Zena Cooke	(Corporate Director, Resources)
David Courcoux	(Head of the Mayor's Office)
Emily Fieran-Reed	(Service Manager, Community Cohesion, Engagement and Commissioning, Strategy, Policy and Equality)
David Freeman	(Voluntary and Community Sector (VCS) Strategy Manager)
Sharon Godman	(Divisional Director, Strategy, Policy and Partnerships)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)

Debbie Jones	(Corporate Director, Children's)
Jack Kerr	Strategy Policy & Performance Officer
Elvis Langley	Senior Strategy - Policy and Performance Officer (Charities and Community Groups)
Martin Ling	(Housing Strategy Manager, Place)
Tom McCourt	(Strategic Director)
Neville Murton	(Divisional Director, Finance, Procurement & Audit)
Matthew Phelan	Public Health Programme Lead (Healthy Environments)
Matthew Pullen	(Infrastructure Planning Manager)
Denise Radley	(Corporate Director, Health, Adults & Community)
Karen Sugars	(Acting Divisional Director, Integrated Commissioning)
Ann Sutcliffe	(Acting Corporate Director, Place)
Will Tuckley	(Chief Executive)
Matthew Vaughan	(Political Advisor to the Conservative Group, Democratic Services, LPG)
Christine McInnes	(Divisional Director, Education and Partnership, Children's)
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)
David Knight	(Senior Democratic Services Officer)

ORDER OF BUSINESS

At the meeting the Mayor agreed to change the order of business to take items with public interest at the top of the agenda. For clarity the Minutes are set out in the order the items appear on the agenda. At the meeting:

- Agenda Item 5.9 (Disposal of 2 Trinity Green) was taken directly after Item 5.4 (Premises Leased to Voluntary and Community Sector Organisations).
- Agenda Item 5.15 (Tower Hamlets Planning Compliance Policy) was taken directly after Item 5.10 (Pan-London Modular Temporary Accommodation).

All other items were taken in order.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Amina Ali (Cabinet Member for Environment)

Apologies for lateness were received on behalf of:

- Councillor Amy Whitelock Gibbs (Cabinet Member for Education and Children's Services)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

Councillor Joshua Peck, Cabinet Member for Work and Economic Development, made a Declaration of Disclosable Pecuniary Interest in Agenda Item (5.10) as his company had a contract with a company which made off-site modular accommodation and whilst it wasn't related to this project he considered it was appropriate to make a declaration. He left the room for the duration of the discussion on that Item.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes (including the noted amendment to the recommended decision for Agenda Item 5.1) of the Cabinet meeting held on Tuesday 27 February 2018 be approved and signed by the Chair as a correct record of proceedings.

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions were submitted on the following agenda items:

- 5.1 (Community Commissioning Programme Framework)
- 5.4 (Premises Leased to Voluntary and Community Sector Organisations)
- 5.5 (Private Sector Housing Renewal Policy 2018-2022)
- 5.6 (The Impact of Short-Term Holiday Platform Lets)
- 5.7 (All-Zone Multi-Purpose Permits for Car Clubs)
- 5.9 (Disposal of 2 Trinity Green, Mile End Road)
- 5.12 (Strategy for Children and Young People with SEND)
- 5.15 (Tower Hamlets Planning Compliance Policy)
- 5.18 (Quarter 3 Strategic Performance Monitoring Report)

It was agreed that full answers would be provided at the Overview and Scrutiny Committee meeting on Thursday 22 March 2018 but where appropriate the issues raised were considered during discussion of the relevant items.

In addition Councillor Dave Chesterton, Chair of the Overview and Scrutiny Committee (OSC), addressed the meeting. He provided an update on the Committee's meeting the previous week. He reported on a number of issues and reports that had been discussed including:

- A Spotlight session with Mayor John Biggs.
- A Spotlight session with Councillor Denise Jones, Cabinet Member for Health and Adult Services.
- A report back from the Scrutiny Challenge on the impact of Brexit on the Council.
- That the Committee had reviewed the Quarter 3 Strategic Monitoring Report (that was also on the Cabinet's agenda).

Finally he noted that the last OSC meeting of the Municipal Year was to take place on Thursday 22 March 2018.

The **Mayor** thanked him for his work as Chair of the Overview and Scrutiny Committee over the past year and thanked the Committee for its work in scrutinising the actions of the executive.

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Community Commissioning Programme Framework

Note – Agenda Items 5.1 and 5.2 were taken together and the combined minute is set out below. Please see item 5.2 for the decision for that specific report.

The **Mayor** introduced the report. He highlighted that discussions with the Voluntary and Community sectors had been ongoing for quite a long time and that the Council was looking to ensure support for their proposed new direction.

During discussion officers emphasised that a lot of work had gone in to the report to date but that further development was still to take place and would be reported back to Cabinet at the appropriate time. This would include further engagement work within the voluntary and community sectors.

Farida Yesmin, representing the Tower Hamlets Community Advice Network, addressed Cabinet. She emphasised that they were keen to work with the Commissioning model but had concerns to make sure that the process was not rushed and that any commissioning undertaken did not simply result in large national organisations taking over work from local providers.

The **Mayor** thanked everyone for their contributions to the discussion. He emphasised that he was very keen to preserve a strong local voluntary sector. He considered that the reports set out a good framework for Commissioning and Grants policy but agreed that more details were needed on how this would work. He also emphasised that officers would continue to work with the sector on how this developed. He **agreed** the recommendations as set out but emphasised that he would be looking for more details to be set out in further reports to Cabinet to follow within a few months.

RESOLVED

1. To agree the programme rationale and approach for a Community Commissioning programme, and
2. To instruct officers to develop detailed proposals for a Community Commissioning programme, to be launched in time for a proposed programme delivery start date of April 2019.

5.2 Corporate Voluntary and Community Sector Grants Policy Framework

Note – Agenda Items 5.1 and 5.2 were taken together and the combined minute is set out under Item 5.1. The decision for Item 5.2 is set out below.

RESOLVED

1. To agree the attached policy framework for a corporate grants policy, and
2. To instruct officers to develop proposals for a detailed grants programme to be launched in the summer of 2018.

5.3 Compact with the Voluntary and Community Sector

The **Mayor** introduced the report. He highlighted that there had been considerable consultation whilst developing the new Compact and noted that the previous Compact was seven years old and so needed a refresh. He considered the proposals recognised the important role the voluntary and community sectors played and he **agreed** the recommendations as set out.

RESOLVED

1. To agree the Compact between the Council and the Voluntary and Community Sector set out in Appendix A to the report.

5.4 Premises Leased to Voluntary and Community Sector Organisations - Revised Policy

The **Mayor** introduced the report. He highlighted that the report set out the proposals showing eligibility for discounts and the means of assessing applications. He emphasised it was important not to create any processes that were too complicated.

During discussion it was noted that officers were in discussion with 'early years' providers to see what funding options were available to them.

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

RESOLVED

1. To agree that the rent reduction scheme for voluntary and community sector organisations occupying Council premises agreed by the Mayor in Cabinet on 1 November 2016 be;
 - a) Extended to include all VCS organisations leasing premises from the Council;
 - b) Revised as set out in appendix A to the report to allow for a proportionate rent reduction of either 20% or 40% for organisations engaged in economic activity where there is a significant level of activity which meets the scheme's criteria for community benefit;
 - c) Revised as set out in appendix A to the report to include nationally recognised VCS quality assurance standards in the eligibility criteria; and
 - d) Revised as set out in appendix A to the report to allow a grace period of up to 12 months for organisations seeking a rent reduction to achieve the above QA standard.
2. To agree that where a VCS organisation is not eligible for the rent reduction, the impact of the increase in rent may be mitigated through a stepped rent arrangement over the period of the lease, as set out in appendix A to the report.
3. To delegate to the Acting Corporate Director of Place the authority to agree the terms of, and enter into, any leases (or variations thereof) or any other agreements in order to give effect to the above recommendations.

5.5 Private Sector Housing Renewal Policy 2018 - 2022

Councillor Sirajul Islam, Deputy Mayor and Cabinet Member for Housing, introduced the report. He explained that the report set out options for updating the Council's Policy document on Private Sector Housing Renewals. He noted that a public consultation exercise had taken place to review the previously published draft proposals.

The **Mayor** welcomed the report and **agreed** the recommendation as set out.

RESOLVED

1. To adopt the Private Sector Housing Renewal Policy 2018 - 2022 attached at Appendix 2 to the report.

5.6 The impact of short-term holiday platform lets

Councillor Sirajul Islam, Deputy Mayor and Cabinet Member for Housing, introduced the report. He noted the high level of short term lets, second only to Westminster, in the Borough and the need to manage these lets and any potential wider impact on an area. In particular he noted the recommendation requesting the Council apply to the Secretary of State for exemption from the 90-day provision for those parts of the Borough most impacted and also the recommendation to set up a helpline for residents to report short term lets that were causing concern.

The **Mayor** welcomed the report. He noted the exempt/restricted appendix and **agreed** the recommendations as set out.

RESOLVED

1. To apply to the Secretary of State for Housing to exempt from the 90-day permission those parts of the borough that are most severely affected by the growth of short-term letting
2. To work at a leadership level with MPs, the GLA, Local Authorities negatively affected by the growth of short-term letting, and other stakeholders to lobby Government for legislative change
3. To develop a substantial communications plan around short-term holiday lets using social, on-line and traditional media in order to deter unlawful holiday letting and to support to the council's lobbying objectives
4. To ensure that work is carried forward by Tower Hamlets Homes and by THHF to ensure that Registered Providers enforce lease restrictions against all leaseholders who operate 'Airbnb businesses'
5. To establish a working group to establish lead responsibility and a multi-agency response to problematic short-term letting including through enforcing health and safety, tax, and insurance compliance
6. To set up an on-line system by which residents affected by short-term letting can log with the Council addresses and dates where those lettings take place
7. To develop policy on Community Protection Notices that includes their use for problematic short-term letting, and delegates power to Registered Providers in order that they can serve them on short-term letting providers rather than their licensees

5.7 All-Zone Multi-Purpose Permits for Car Clubs – Amendment to Permitted Bays

The **Mayor** introduced the report proposing All-zone multi-purpose permits for car clubs. He considered it a sensible suggestion for car clubs to be given access to regular parking bays rather than have to create special spaces for them. He **agreed** the recommendations as set out.

RESOLVED

1. To approve the amendment to the Scheme for inclusion of all bays in which parking can be purchased either by a ticket from a machine or by the Council's cashless parking provider to include all-zone multi-purpose permits for car club companies.
2. To delegate authority to the Head of Parking & Mobility Services to amend the types of bay in which car club vehicles may park or the areas of the borough in which the scheme can operate.

5.8 IDF: Report to Cabinet recommending the approval of the allocation of CIL and S106 funding and approval for the adoption of a capital budget in respect of the 2 following projects: Goodmans Fields Health Centre and Whitechapel Public Realm

Councillor Denise Jones, Cabinet Member for Health and Adult Services introduced the report on the proposal for the Goodman's Fields Health Centre. She welcomed the potential for a new, modern health facility.

Councillor Joshua Peck, Cabinet Member for Work and Economic Development introduced the report proposing support for open spaces in the Whitechapel area. He highlighted how important these were in a part of the Borough that did not contain much open space and that this proposal would also deliver complimentary improvements such as traffic calming.

The **Mayor** welcomed the proposals and **agreed** the recommendations as set out.

RESOLVED

1. To agree the allocation of £1,329,483 in Section 106 (S106) funding and £3,494,991 in Community Infrastructure Levy (CIL) to the proposals set out in the "*Goodman's Fields Health Centre*" Project Initiation Document (PID), which is attached to the Cabinet report at Appendix A.
2. To agree the allocation of £727,450 in Section 106 (S106) funding to the proposals set out in the "*Whitechapel Public Realm Improvements*" Project Initiation Document (PID), which is attached to the Cabinet report at Appendix B.

3. To adopt a Capital Budget for the “*Goodman’s Fields Health Centre*” and “*Whitechapel Public Realm Improvements*” Project Initiation Documents (PID) as set out in Table 1 of the report.

5.9 Disposal of 2 Trinity Green, Mile End Road, E.1. 4TS

Councillor David Edgar, Cabinet Member for Resources, introduced the report into the proposed disposal of 2 Trinity Green. He explained that the property was expensive and complicated to renovate and that the proposal was it would be a better use of Council resources to sell the property and use the proceeds to purchase provision elsewhere in the Borough. He also explained that a Heritage Asset Management Plan (HAMP) would be produced to help support future site-wide management and maintenance.

Rupert Munday, Friends of Trinity Green, addressed Cabinet. He highlighted that the Spitalfields Trust had expressed an interest in purchasing the property and so he requested a delay whilst this was discussed. He also expressed concern that a sale on the open market would make agreeing an HAMP more difficult. Finally he asked that if the property was sold that some of the receipts be reserved to support environmental improvements at the site.

The **Mayor** noted the points raised in the discussion. He also noted the suggestion that the disposal ‘should be’ made subject to a local conservation plan. He stated that he considered the approach set out in the recommendations to be appropriate but that if the Spitalfields Trust came back with a formal proposal within the next week he would look at that. Finally he noted the exempt/restricted appendix to the report.

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

RESOLVED

1. To note the contents of the report;
2. To agree that 2 Trinity Green, Mile End Road, E1 4TS is surplus to the Council’s operational requirements;
3. To agree to the disposal of the site and to note that the Corporate Director, Place will decide on the most appropriate disposal method under delegated authority;
4. To agree to the disposal of the site on a freehold basis;
5. To agree that the capital receipt is used for the provision of affordable housing,
6. To authorise the Corporate Director, Place, to progress the sale of the site;

7. To authorise the Corporate Director, Place, following consultation with the Corporate Director, Governance, to agree the terms and conditions of any agreements required to implement the recommendations above.
8. To authorise the Corporate Director, Governance to execute all agreements required to implement the recommendations above; and
9. To agree to produce a Heritage Asset Management Plan in consultation with the Friends of Trinity Green and other Stakeholders, to guide a future approach to site-wide management and maintenance.

5.10 Pan-London Modular Temporary Accommodation

Councillor Sirajul Islam, Deputy Mayor and Cabinet Member for Housing, introduced the report on a cross-London project to provide modular accommodation for homeless families. He welcomed the proposals as a positive scheme that would provide significant benefits.

The **Mayor** welcomed the report and welcomed that Tower Hamlets was playing a leading role in the project. He noted the exempt/restricted appendix and **agreed** the recommendations as set out subject to a minor amendment to take out the name of an officer and to just list the post instead.

RESOLVED

1. To note the award of £11 million from the GLA Innovation Fund to deliver modular temporary accommodation through a pan-London collaboration between London boroughs.
2. To note the award of £20,000 from the Capital Ambition programme (hosted by London Councils) as “seed-funding” for the further development of the pan-London temporary accommodation proposals.
3. To approve the establishment of a Company Limited by Guarantee to procure and own modular temporary accommodation for the benefit of London boroughs who become members of the company, with LB Tower Hamlets as a founding member.
4. Appoint the Interim Divisional Director of Housing & Regeneration as the Council’s initial Company Director.
5. Delegate to the Corporate Director (Place) in consultation with the Corporate Director (Governance) and the Corporate Director (Resources) to approve the specific legal documentation for establishing the company.
6. Note that further decisions will be required at a later date to pass on GLA grant funding from the Council to the new Company and, if relevant, for the Council to provide debt finance to the Company.

5.11 Children's Services Improvement Programme, Quarterly Progress Report (Quarter 3)

Councillor Amy Whitelock Gibbs, Cabinet Member for Education and Children's Services, introduced the third quarterly report on the Children's Services Improvement Programme. She noted that it had been discussed at the recent Overview and Scrutiny Committee meeting as well as the Best Value Improvement Board. She set out that the headlines showed steady progress was being made as verified by OFSTED and the Department for Education but that there will still significant work to do.

She thanked officers for their hard work to tackle the issues that had been identified.

During discussion a number of points were noted including:

- That the next OFSTED inspection would have a focus on risks from gang involvement and risks around sexual exploitation.
- The importance of good caseload auditing and management.
- The potential to develop a social work academy.

The **Mayor** welcomed the report, thanked officers for their work and **agreed** the recommendations as set out.

RESOLVED

1. To endorse the progress made in delivering the children's services improvement programme.
2. To agree the next steps in the improvement journey which would be updated on in the next report.

5.12 Strategy for Children and Young People with SEND: Findings from Strategy Consultation and Proposed New Strategy

Councillor Amy Whitelock Gibbs, Cabinet Member for Education and Children's Services, introduced the report. She explained that it provided the findings from the consultation exercises that had taken place. She alerted Members to the sections of the report which specifically set out the changes made following the consultation process.

The **Mayor** welcomed the extensive consultation that had taken place and how it had achieved a broad consensus on the proposed policies. He considered the proposals were now pretty comprehensive. He **agreed** the recommendations as set out.

RESOLVED

1. To note the draft SEND Strategy.
2. To note the proposed key performance indicators for the SEND Strategy.
3. To note the outcome of the consultation on the SEND strategy.
4. To approve the preparation of a document for stakeholders to communicate “what we heard; our response”.
5. To agree a date and how planning will begin for the launch of the new SEND Strategy in 2018.

5.13 Sheltered Housing

Councillor Denise Jones, Cabinet Member for Health and Adult Services, introduced the report seeking approval for a new funding model for sheltered housing tenants. She highlighted in particular the target of reducing loneliness and isolation.

She explained that the report provided information on the consultation exercise that had been undertaken following a previous Cabinet report.

The **Mayor** welcomed the report and the proposals set out. He highlighted that he was mindful of the need to improve the care for those in the community as well as those in sheltered housing. He **agreed** the recommendations as set out.

RESOLVED

1. To agree the recommendations within the report, and authorise the Corporate Director Health, Adults and Community to:
 - a. Adopt an Intensive Housing Management Service (IHMS) model for sheltered housing provision in the borough
 - b. Issue new contracts to the existing sheltered housing providers for up to six months to allow for the transition to an IHMS model
 - c. Fund a range of activities in sheltered schemes at a maximum value of £500 per resident per annum in line with the Ageing Well Strategy and the Mayor’s commitment to tackle loneliness and isolation and improve the wellbeing of elderly tenants living in sheltered housing
 - d. Enter into all agreements and make such other decisions as may be required to achieve the recommendations of this report

5.14 Tower Hamlets Adult Social Care Local Account

Councillor Denise Jones, Cabinet Member for Health and Adult Services, introduced the report. She explained that the purpose of the Adult Social Care Local Account was as a way of reporting back to residents on the quality and performance of adult social care.

The **Mayor agreed** the recommendations as set out and thanked officers for their work in preparing a very accessible document.

RESOLVED

1. To approve the Local Account as attached at Appendix A to the report for publication.
2. To endorse the communication plan for the Local Account as attached at Appendix B to the report.

5.15 Tower Hamlets Planning Compliance Policy

Councillor Rachel Blake, Cabinet Member for Strategic Development and Waste, introduced the report. She explained that the report was looking to respond to growing concern from residents on compliance with planning permissions. The report set out to establish service standards so that residents would know what service they could expect.

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

RESOLVED

1. To note the report and the draft Planning Compliance Policy attached at Appendix 1 to the report.
2. To approve the draft Planning Compliance Policy for adoption.

5.16 Renewal of Leaseholders Building Insurance, Motor Fleet, Commercial Property, Crime and Fidelity Guarantee, Engineering Inspection, Business Travel and Personal Accident and School Journeys

Councillor David Edgar, Cabinet Member for Resources introduced the report on the renewal of a number of insurance policies including for leaseholders building insurance. The report set out the process by which the final quotes had been selected. He explained why the premiums were higher than they had been previously.

The **Mayor agreed** the recommendation. He noted that there was a low excess payable on claims. He also noted the exempt/restricted appendix.

RESOLVED

1. To authorise the Corporate Director of Resources to award the leaseholders building insurance, insurance for motor fleet, commercial property, crime & fidelity guarantee, engineering inspection, business travel & personal accident and school journeys contracts in line with this report.

5.17 Best Value Improvement Plan (BVIP) Q4 update report

The **Mayor** introduced the report. He noted that the report had been considered by the Overview and Scrutiny Committee and the Best Value Improvement Board and that it would be used as the basis for a response to the Secretary of State. He **agreed** the recommendations as set out.

RESOLVED

1. To note the draft update report attached as Appendix 1 to the cover report.
2. To agree any revised milestone timescales in the Improvement Plan attached as Appendix 2 to the cover report.

5.18 2017-18 Quarter 3 (October-December) Strategic Performance Monitoring report

The **Mayor** introduced the report. He noted that it had been discussed at the Overview and Scrutiny Committee. He considered that overall it showed the Council was making steady progress but that there were areas that required improvement such as around the measures added in relation to Children's Services. He **agreed** the recommendation as set out.

RESOLVED

1. To note the performance of the strategic measures at the quarter 3 point, including those measures where the minimum expectation has been missed (appendix 1 to the report).

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

7. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

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

Nil items.

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

Nil items.


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

Nil items.

The meeting ended at 7.49 p.m.

MAYOR JOHN BIGGS

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<p>Cabinet</p> <p>27 June 2018</p>	
<p>Report of: Debbie Jones, Corporate Director Children’s Services</p>	<p>Classification: Unrestricted</p>
<p>Children’s Services Improvement- Quarterly Progress Report (Quarter 4 17/18)</p>	

Lead Member	Councillor Danny Hassell, Cabinet Member for Children, Schools and Young People
Originating Officer(s)	Charlotte Saini, Children’s Services Improvement Manager
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	N/A
Reason for Key Decision	N/A
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 at least ‘good’ by April 2019, which is the minimum our children and families deserve. The council has now had three monitoring visits from Ofsted.

The most recent visit, on 1-2 May 2018, focused on vulnerable adolescents. In their feedback, Ofsted noted that:

“Since the previous inspection and the monitoring visit in December 2017, there has been a substantial improvement in the quality of practice with this group of exploited children and their families. The recent co-location of key staff and the creation of a dedicated, authoritative, multi-agency exploitation team is very effective in responding quickly to high risk situations. A renewed focus on children as victims of exploitation rather than criminalising their behaviour is leading to an enhanced understanding of their circumstances and analysis of risk. Social workers now have a better understanding of children’s lived experience. Together with partner agencies, they are increasingly diligent in their attempts to work with and support these young people and their brothers and sisters.”

Ofsted also stated that while social work practice remains variable across some teams, increasingly, overall vulnerable adolescents receive higher levels of support and intervention. This was noted as a “discernible difference to the previous poor practice and [indicates] a noteworthy change in culture in frontline social work.” This is encouraging, however, we cannot be complacent, and we understand that we need to continue and embed the improvement journey and in doing so address specifically the challenges that Ofsted noted: recruitment and retention and the effective implementation of the revised Early Help strategy.

In summary, Ofsted stated that: “The evidence gathered during this visit has identified substantial, but very recent improvements in the quality of multi-agency and social work practice for vulnerable adolescents and their families. This is extremely encouraging given the particularly complex challenges involved in this work. Political leaders and managers are demonstrating considerable determination and commitment to embedding and sustaining these changes, while simultaneously addressing the areas of poor practice.”

The body of this report includes commentary on progress in the four themes of our improvement plan at the end of the fourth quarter of our improvement programme.

Whilst we are making progress in embedding the changes that have been made over the first year of our improvement programme, giving us a firm foundation for improvement, there remain challenges to ensuring that the service improves to meet a ‘good’ inspection standard and sustains this improvement. The focus in the final stage of the Improvement Plan (April 2018-April 2019) is to build on the progress made so that further 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 THE 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 2017 which was subsequently 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 on 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 2 months by our independently chaired Improvement Board. The Mayor, Chief Executive, Cabinet Member and Director of Children's Services meet fortnightly to review and address key issues and challenges. Quarterly updates are reported to Cabinet, Best Value Programme Board and Overview and Scrutiny Committee. This fourth update report details progress made between January 2018 and the end of March 2018.
- 3.3 In July 2017 the Department for Education (DfE) appointed Lincolnshire and Islington councils as our Improvement Partners (IPs). The role of the IPs is to support us in our improvement journey by acting as external expert advisors. They provide regular reports on progress which are shared with the DfE. The focus of their support is in the following areas where they have specific expertise that the council can learn from:
- Early help
 - Legal support
 - 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 second stage of that journey, which is called ‘embedding sustained improvement’ and ran until the end of this quarter (March 2018). The third and final stage is “continuous improvement to a ‘good’ children’s service”, starting from April 2018.

3.5 The table below shows overall progress in the aims that we set for this second stage. This work will ensure that the foundations put in place during stage 1 are built upon and improvement is sustained over the length of the programme:

Our aim	Progress and outcome
Workforce strategy agreed and in implementation	The first draft of our workforce strategy was agreed and an action plan is being implemented. We are in the process of refining this to ensure that our strategy effectively positions Tower Hamlets as an employer of choice for children’s social workers, with advice from Islington Council as our Improvement Partner. Workforce is regularly discussed at the Improvement Board and among the council’s leadership. Further updates on specific workforce related activity are provided under ‘Theme 1’ below.
Early Help changes implemented including commencing commissioning processes for any new services	Following a review of early help services it was agreed that the Early Help redesign will incorporate the principles of working with troubled families in order to engage with families that have two or more of the following characteristics: <ul style="list-style-type: none"> • Parents or children involved in crime or anti-social behaviour • Children who are not attending school regularly • Children who need help: children of all ages, who need help, are identified as in need or are subject to a Child Protection Plan • Adults out of work or at risk of financial exclusion or young people at risk of worklessness • Families affected by domestic violence and abuse • Parents or children with a range of health problems.

Our aim	Progress and outcome
	<p>The redesign of Early Help is taking place in two phases which will support a quick implementation (phase 1) and which will provide the opportunity to embed (phase 2).</p> <p>The staff consultation for the organisational change in phase 1 was extended to enable us to respond fully to feedback and ended on April 30th. Alongside this work we are developing new processes, guidance and a workforce development programme for staff working in early help services. The new structure and processes are expected to start in July, subject to the conclusion of staff consultation.</p> <p>Arising from the new Early Help redesign children, young people and families will be:</p> <ul style="list-style-type: none"> • Offered support to address needs at tiers 1 and 2. • At tier 2 to be provided with the support from a named Lead Professional who will build a relationship them, assess the needs of the whole family; undertake family planning and co-ordinate interventions. • Empowered to support to help themselves. <p>To ensure alignment with the improvements in Children’s Social Care, the Early Help redesign will offer:</p> <ul style="list-style-type: none"> • A single front door aligned to the MASH. Which will yield better planning and outcomes for children and young people • Embedded processes in place for “step down” of cases <i>from</i> Children’s Social Care; and “step up” of cases <i>into</i> Children’s Social Care. <p>A range of evidence based interventions linked to parenting support, education, employment, housing, positive activities for youth, domestic violence support, emotional health and wellbeing (pre-Child and Adolescent Mental Health Service (CAMHS) threshold) support, adult mental health and substance misuse to name but a few.</p> <p>The changes being made in phase 1 will deliver central capacity for case management and commissioning of early help services ensuring</p>

Our aim	Progress and outcome
	<p>greater consistency, effective targeting of resources to those families that need early help, and the provision of support to effectively meet need. Alongside the organisational change, processes are being redesigned, an outcomes framework is being developed, a commissioning strategy is being identified and an early help workforce plan is being put in place, so that early help professionals are equipped with the right skills to effectively support families.</p> <p>The second phase of the Early Help redesign will bring together multi-disciplinary professionals in locality-based teams to better coordinate support for children and families.</p>
<p>Performance data, case audit and dip sampling is used systematically to show progress and identify areas for further improvement</p>	<p>Following the work done during stage 1 to improve performance management within the Children's Social Care service, the use of performance data, case audits and dip samples is becoming embedded as a fundamental part of the service improvement process. The detailed updates below give examples of where this is taking place to improve our support to children and their families. In their December monitoring visit, Ofsted fed back that they could see much more use of performance information by team managers to support social workers and tackle drift and delay. During their third visit Ofsted noted the improved use of data and information, for example, they found that:</p> <ul style="list-style-type: none"> • Reliable and effective intelligence gathering processes have been developed to support the sharing of information on a daily basis. This has led to perpetrator disruption activities as well as prompt actions to prevent serious youth violence and other gang related activities escalating • A comprehensive data set is reviewed by the divisional director and this information is shared with the LSCB 'vulnerable children exploitation group'. • Child exploitation screening tools are used effectively to recognise risk. This informs the undertaking of timely risk assessments and the development of coherent safety plans

Our aim	Progress and outcome
	<ul style="list-style-type: none"> <li data-bbox="738 248 1398 394">• The communication between out of hours and day services is effective with the Emergency Duty Team ‘footprint’ visible on children’s records. <p data-bbox="679 412 1390 521">High level findings continue to be reported to CLT and the Improvement Board via the monthly Improvement Summary report.</p>

3.6 The next, and final, stage on our improvement journey will be as follows:

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. This will be a challenging phase given the recruitment challenges faced by all London councils, the high volume of contacts and referrals we are experiencing, and the need to embed improvements across the whole service. A deep dive exercise with the Local Safeguarding Children Board (LSCB) in June will enable us to re-focus and refresh our improvement plan to focus on key priorities relating to this final stage, to ensure that we continue on our trajectory to “good”.

3.7 Our progress is being monitored by Ofsted through quarterly monitoring visits. The third of these visits took place on 1st and 2nd May 2018 and focused on our response to supporting young people who go missing and/or are at risk from involvement in gangs or sexual exploitation.

3.8 Feedback has been summarised at the start of the report. Expanding on this, it should be noted that, in their letter Ofsted commented that previously, the local authority’s relationships with key safeguarding partners were underdeveloped with too many staff, working in silos. Senior leaders across all agencies have recognised that the complexity of issues in relation to exploited children requires a joint multi-agency approach. Consequently, the revised early help strategy is intended to address former weak practice for this group of children. This is now an important priority for the local authority and the safeguarding children’s board.

3.9 The situation for missing children has improved. Arrangements for the completion of return home interviews (RHIs) have been streamlined and are effective. Data demonstrates that the service has improved the timeliness of interventions. Inspectors found that the quality of RHIs has improved. Overall decision making is better and more timely. The daily MASH meeting includes early help. Information sharing is much improved and there is a focus on younger siblings in cases where the older sibling is the focus of much of the intervention. The co-located Exploitation Team has an increased awareness of the multiple and overlapping risks to all children. Although very recently established (March 2018) these alternative methods of multi-agency interventions and engagement with young people are having a positive impact. The team has a good understanding of the Tower Hamlets gang’s profile.

- 3.10 Ofsted were very positive about the changes in the Emergency Duty Team (EDT), noting that this team is now led by a committed and innovative manager and is delivering a much improved quality service to vulnerable adolescents providing a well-coordinated and timely response when children go missing. The communication between out of hours and day services is effective with the EDT 'footprint' visible on children's records. There is improved professional accountability and responsibility for vulnerable children. Work around Prevent and radicalisation was seen as positive. Strong partnership work to counter the risk to children from radicalisation is having a positive impact. The changing nature of potential threats in this highly complex and sensitive area, continues to be well understood. Work to reduce risk is suitably targeted through strong, effective intelligence sharing with relevant partner agencies and in particular improved communication with police.
- 3.11 In terms of challenges and next steps, Ofsted suggested that the key areas of focus were to continue to embed improvement. The need for a robust recruitment and retention offer is also clear and should be a key focus for the council.
- 3.12 The next monitoring visit will take place on 15th and 16th August 2018 and will focus on Public Law Outline and permanency planning. Early intervention is a focus for Tower Hamlets and will be a theme in a forthcoming monitoring visit after August, but not until the new Early Help Strategy has been launched.
- 3.13 In addition to the Ofsted monitoring visits, in February we had a six month progress review by the DfE, which included focus groups with staff, managers and partners. Findings from this visit outlined a clear strategic approach to improvement, evidence of progress to improve workforce stability, commitment from partners to the improvement agenda and better confidence in leadership and use of data from staff groups. Some key areas for development were highlighted including around the ASYE (Assessed and Supported Year in Employment) grow your own model, and how to incentivise ASYEs to stay after their initial year. These suggestions all tally with activities in the improvement plan in stages 2 and 3, and will be reported back to the Improvement Board in the summer.
- 3.14 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.
- 3.15 Additional capacity was provided to the service to ensure that rapid progress could be made whilst maintaining day to day service provision. An experienced interim Divisional Director for Children's Social Care was appointed to implement operational improvements and provide leadership in our improvement journey. As we move into embedding the improvement agenda, recruitment has now been completed for a permanent Divisional Director of Children's Social Care and an appointment has been made.

- 3.16 In addition, 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.
- 3.17 £5.59m growth has been put into the children's budget for 2018/19 (this includes the Mayoral Priority Growth for Children's Services for the year is 0.447m). The total requirement to support children's services improvement over two years (2017/18 and 2018/19) was estimated at £4.5m, with an outturn for 2017/18 of £1.9m. This will need to be monitored as part of the ongoing monitoring and modelling to ensure that there is a sustainable funding position for children's services now and in the future.
- 3.18 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

- 3.19 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.
- 3.20 Governance and performance management arrangements were put in place as part of stage 1 of our improvement programme and are embedding well, as recognised by Ofsted in their monitoring visit. Political leadership and knowledge of Children's Social Care has been developed through two seminars for all Members; including a 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, Cabinet Member, Chief Executive and Corporate Director, alternately attended by the independent Improvement Board Chair. The Mayor and Cabinet Member have also benefitted from training and mentoring organised by the Local Government Association.

- 3.21 Given that the elections on May 3 have brought in a number of new Members, including a new Cabinet Member for Children, Schools and Young People, we are clear that in order to ensure political leadership and knowledge of Children's Social Care is sustained, the activities described above will need to be replicated for all new political members, with an enhanced programme of induction and support offered to the new Cabinet Member and any potential new appointments in relation to Scrutiny committees.
- 3.22 Staff recruitment remains a challenge, and senior leaders have recognised that this is a risk to the improvement journey. As at the end of March 2018, 33% of posts across the Children's Social Care service were filled by agency staff, with the rate much higher in some teams. This is due to the competitive nature of the market in London for qualified social workers, coupled with the pressure of increased workload and the drive for improvement post Ofsted. Staff turnover has reduced, but recruitment remains a challenge. We are continuing to run a rolling recruitment campaign with our streamlined process and are continuing to work with our agency social workers to encourage them to move into permanent posts to introduce further stability in the workforce.
- 3.23 We have now successfully recruited to all four vacant service manager posts (the final post holder started in April). This completes our permanent recruitment to the third tier leadership team in Children's Social Care. A new vacancy at this level is anticipated through normal turnover. Recruitment to social worker, advanced practitioner and team manager posts continues- as at the end of March, we have 137 posts to fill, with 25 at offer stage. This comprises 21 Social Worker posts and 4 Team Manager posts. Proposals on recruitment options were presented to the Corporate Leadership Team in February and the preferred option is to adopt a grow-your-own model appointing ASYE (Assessed and Supported Year in Employment) social workers and offering an enhanced programme of support and development. Further work is needed to fully develop the proposal to ensure adequate resources are specified to support the cohort during their first year to ensure that caseloads are appropriate, and to provide appropriate managerial and professional development support and also to develop the offer to retain staff once the ASYE year has been completed. The Principal Children's Social Worker is now working closely with HR to develop these proposals over the next quarter including the development of a social work academy.
- 3.24 Proposals for the development of a social work academy were considered by the Council's Corporate Leadership Team in March. The scope of an options appraisal has been agreed within the context of the Council's overall approach and this will be commissioned in April. Following the launch of our new Learning Management System (LMS) in January, all training is now advertised, booked and monitored through the system. This includes 9 new training courses delivered in March.
- 3.25 Our sufficiency strategy is driving forward change and children coming into care are a much younger age than previously. This does not negate us from supporting older children and young people but we are responding to their care needs in a more inclusive manner. We are seeing fewer children and young people moving into residential care instead there has been an increase in our internal foster placements. This will start to show a reduction in our overspend.

3.26 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 implementation of the two strategies outlined above.

Theme 2- A robust model of social work practice.

3.27 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.

3.28 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.

3.29 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.

3.30 Activity in the fourth quarter has focused on improving our practice in relation to children who go missing, are at risk of sexual exploitation and involvement in gang related activity. We have appointed a new Missing Young Persons co-ordinator to oversee activity in this area. The initial focus was to ensure that we have good quality data so that we have a thorough understanding of why children are going missing and are able to respond to emerging patterns. Significantly, since January 2018 there has been a vast reduction in 'reasons unknown' category with only 5.1% recorded in this way. Importantly we have been able to establish major reasons for children running away. To have contact with family and friends was recorded as the primary reason in 46.7% of cases in January, the risk of CSE was quoted in a further 34.3% of cases and because of gang affiliation in a further 6.6%. Each statistic underlines powerfully the reasons why we are focussing with persistent rigour in these areas.

3.31 In recent months significant improvements have been made in identifying children who are at risk of exploitation. All types of exploitation are currently being considered when assessing young people. For example we are making good progress in beginning to identify patterns and trends in relation to children at risk of crossing "county lines", criminal exploitation, sexual exploitation and children who are regularly missing.

3.32 Management oversight across the service has continued to improve and at the end of March 95.7% of cases had management oversight recorded in the last 8 weeks (up from 87.9% at the end of December). This is now above the upper target of 95%. March saw a further reduction in numbers for children in need, children subject to child protection plans and children in care. This is in

line with targeting resources effectively. Rates per 10,000 are considerably below comparators.

- 3.33 The improvements in case management across the service have resulted in an increase in the proportion of children in need that have a plan in place from 51% in June 2017 to 78.1% at the end of December, and further again to 86.1% at the end of March. Performance has been consistently improving month on month, with 93.8% of these plans being reviewed within 6 months. This remains a priority to ensure that all children in need have an up to date plan to provide assurance that their needs are being met. Because of the way that our case management system treats cases that are being stepped down from child protection plans, this figure will never show as 100%. At the same time, there has been an improving trend in the proportion of children being regularly visited by social workers.
- 3.34 The review of our early help services was concluded during stage 1 of our improvement programme. We are now implementing the findings of this review, changing 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 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 is due to start in July 2018.
- 3.35 In light of concerns about our local thresholds for social care intervention, in particular the extent to which these were understood by partner agencies, a decision was taken through the Local Safeguarding Children Board to adopt the Pan London child protection thresholds and bring us in line with most other London boroughs and help to ensure consistency. A new thresholds document was drafted and consulted on in the autumn of 2017, and over 600 staff (including from partner agencies) attended training sessions and gave feedback on the draft thresholds model. The agreed new Thresholds document went live on 5 February 2018. The increasing proportion of children receiving assessments and services as an outcome from referrals indicates that thresholds are becoming better understood by referring agencies, and there has been positive feedback on the model from staff, although it is noted that there is more work to do with some partners to ensure that they are engaged with the new model.
- 3.36 Alongside this work, we have completed the first phase of engagement with staff and partners on a new model of social work practice following a decision to move away from the 'signs of safety' model, which had been poorly implemented. Following positive feedback from the introductory sessions, a decision has been taken to accept the recommendation of the Task and Finish Group to proceed with the implementation of Restorative Practice as our social work model. Restorative Practice has a strong international and national evidence base underlining its value. A number of high performing local authorities in the UK have embedded the approach to best effect including Leeds which became a good authority following an inadequate judgement alongside other local authorities such as Wolverhampton & West Berkshire.

- 3.37 On the 19th April, Tower Hamlets held the “Big Restorative Practice Discussion”. This was attended by 300 staff from Children’s Services as well as a number of representatives of partner agencies. This was an important step on the journey and included a commitment from senior staff including the Chief Executive and Director of Children’s Services to attend the Restorative Practice Training. Training started in early May with 11 cohorts planned. The aim will be to upskill our own staff to deliver this training on an ongoing basis. Partners from within and outside of the council are invited to attend these training courses and there is currently consideration of whether to arrange specific training sessions for partners.
- 3.38 Whilst progress has been made across this theme, and the improvements seen during the first phases of our improvement programme have been sustained and built upon, there remain significant challenges in ensuring that social work practice is consistently robust. Although the improvements noted above are significant, and the overall trend is of improvement, including some exceptional performance, some performance is not yet at the level that would be expected from a ‘good’ service. The focus of our work over the next quarter and indeed for the rest of the year, as articulated in our improvement plan, is to ensure that the processes put in place during stages 1 and 2 are used to support continuing and sustained improvements. 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

- 3.39 This theme focuses 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.
- 3.40 Since the last report, Management oversight has improved again, and at the end of March 2018, 95.7% of cases had received management oversight in the past 8 weeks (up from, 87.9% in December 17). This is a significant improvement from 60% in April 2017 and, following management action focused on teams which were impacting on the overall performance, we have now met our 95% target. Training for managers was delivered as part of our ‘back to basics’ programme, further supporting improvements in the quality of management oversight to ensure that it supports the delivery of consistently high quality social work practice.
- 3.41 To ensure that our services identify and respond to all children who go missing and those at risk of sexual exploitation we have developed, with the police, health and education colleagues, a co-located team based within

Mulberry place. The team comprises 1 Sergeant, 7 constables, the CSE coordinator, the missing coordinator, a health nurse and an education worker and the police missing persons (MISPER) unit. The referral pathway and information sharing protocol are currently being developed between agencies.

Theme 4- Quality Assurance and audit

- 3.42 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.
- 3.43 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. Ofsted commented in their second monitoring visit that the use of audit was becoming more embedded although they felt that some improvement was needed in its effectiveness to support the improvement journey.
- 3.44 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 in order to better understand their day to day experience. Practice Week takes place on a quarterly cycle, with the Chief Executive and Director of Children’s Services taking part, alongside the Mayor, lead member for Children’s Services and lead Overview and Scrutiny member for Children’s Services, the divisional director and the LSCB chair. This includes attending social work visits, meeting student social workers, spending time with social work teams and observing professional meetings about children. These observations are informing our improvement activity going forward. The next Practice Week is planned for the week of 11th- 15th June, and will be completed with our Improvement Partner, LB Islington.
- 3.45 The council has embarked on a complete replacement and upgrade of its ageing IT infrastructure to provide a fast, flexible and reliable service for all service users. Over £16 million has been committed to deliver this extensive programme. Recognising that effective and reliable IT is critical for the Children’s Services Improvement journey, Children’s Services has been prioritised in the replacement and upgrade programme. Whilst this replacement programme is underway, short term actions have improved the availability and performance of IT to Children’s’ Services. This continues to be reported to the Children’s Services Improvement Board and will continue to be monitored at the highest level.
- 3.46 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 dropped slightly from 96% in January to 93% in March, and the cohort has increased, we are still within the target range. There remains

concern about the quality of pathway planning and a review of our support to care leavers is now in progress. The results of this review and recommended next steps were presented to DLT in May 2018, following consultation with Leaving Care and Children Looked After Teams. The voice of young people who are in or have left care has been strengthened at the Corporate Parenting Board and is helping to shape this work, including the ambition to develop a post-16 service.

Next Steps

3.47 Cabinet will receive a further update on progress in three months' time. The key priorities for the next monitoring period, will be:

- Supporting the permanent Divisional Director, the new Cabinet Member and newly elected members with relevant induction and training
- Continuing work on our recruitment and workforce development strategy;
- Developing our training and development offer, including consideration of a social work academy;
- Completing the implementation of phase 1 of the new model for Early Help services;
- Embedding the sufficiency strategy;
- Consolidating and building on the improvements we have made in performance and quality across the social care service;
- Implementing our new model of social work practice;
- Delivering short, medium and long-term improvements to the council's ICT systems to ensure it is robust and reliable for social care staff.

4. EQUALITIES IMPLICATIONS

4.1 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.

5. OTHER STATUTORY IMPLICATIONS

5.1 Safeguarding children is a core focus of the improvement plan.

5.2 The Ofsted judgement rated our local safeguarding children board 'inadequate.' Work is underway to address this finding and improve the work of the board.

Risk Implications

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

Ref	Description	Mitigation / Resolution
1	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.
2	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.
3	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.
4	If transition plans are not in place when experienced senior interims leave, the service may experience a period of instability and a loss of momentum in the improvement programme	A robust transition plan has been developed to ensure a seamless transition from interim to permanent senior staff
5	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.
6	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.
7	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	Ensure that staff are supported through change. Provide effective workforce development opportunities. Recruitment and retention strategy put in place.

Ref	Description	Mitigation / Resolution
	to cope with.	
8	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, and coupled with effective 'grow your own' scheme to develop newly qualified workers.
9	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.
10	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
11	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
12	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.	Continuing training and development for elected members including new members following the local elections in May 2018. Ongoing regular meetings with the Mayor, Cabinet Member, Chief Executive and Corporate Director. Support for Overview & Scrutiny.
13	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.
14	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, and short term improvements have been made to improve recovery in the event of system outage.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 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.
- 6.2 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.
- 6.3 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 over 2 years is expected to be £4.2m and would be reported to Members as part of the Council's normal budget management reporting mechanism.
- 6.4 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.

7. COMMENTS OF LEGAL SERVICES

- 7.1 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'). Tower Hamlets was inspected in January 2017 under 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'), which 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.
- 7.2 Ofsted introduced a new "Framework, evaluation criteria and inspector guidance for the inspections of local authority children's services" in November 2017 ("the ILACS"). This is a more flexible regime and uses information held about each local authority to inform decisions about how best to inspect that authority. This sets out that Ofsted will usually re-inspect an inadequate local authority using the same framework under which they were judged inadequate. However, Ofsted may also take a decision to re-inspect under the ILACS framework.
- 7.3 Local authorities previously found to be inadequate will be subject to quarterly monitoring visits. These visits will be followed by a re-inspection under the

framework that their inadequate judgement was made. The duration of the fieldwork and the size of the team will be informed by the progress evidenced in these visits - the full SIF is four weeks as before and the post-monitoring SIF is two weeks in length. This truncated version will be deployed in local authorities that have made significant progress during monitoring. Ofsted will inform inadequate authorities if they no longer plan to undertake monitoring visits meaning a re-inspection should take place within six months. If the outcome of the subsequent re-inspection is better than inadequate, that authority will then begin to follow the pathway for local authorities which either require improvement or are graded good.

- 7.4 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.
- 7.5 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.
- 7.6 Changes to the organisational structure are carried out in line with the Council's procedure. If changes are required as part of the restructuring to the employees' roles or terms and conditions, as well as creating new opportunities this may also create redundancy situations if suitable alternative work is not available for these employees.
- 7.7 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.

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>27 June 2018</p>	
<p>Report of: Anne Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Draft Waste Management Strategy and Future Service Delivery Options</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Environment
Originating Officer(s)	Robin Payne, Interim Divisional Director Public Realm Richard Williams, Business Manager Operational Services
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	29 May 2018
Reason for Key Decision	Significant Impact on Two or More Wards
Community Plan Theme	A Great Place to Live

Executive Summary

The new Waste Management Strategy will set the future direction for waste, recycling and cleansing services, delivering environmental improvements across the whole borough. The Strategy will set a framework for Waste Services from which operational, planning and procurement decisions will be based from 2018 until the year 2030. The draft strategy recommends key policy and service changes needed to deliver improvements to waste management in the borough. It is proposed that consultation on the draft strategy takes place between the 2 July and 30 September 2018, with results of the consultation informing the final strategy for approval at a future Cabinet meeting.

Following a detailed review of alternative service delivery models, this report also proposes a “twin track” approach for commissioning an integrated waste, recycling and cleansing service. This involves starting a competitive dialogue procurement process from early September 2018, whilst also working on an In-House delivery option for future consideration. Given the challenges of improving waste, recycling and cleansing services across the Borough, our aim is to discover which of an outsourced external contract or In-House service approach would better deliver the development of these services whilst maximising opportunities for innovation, quality and value for money.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note and consider the development of the Draft Waste Management Strategy 2018-2030
2. Approve the Draft Waste Management Strategy 2018 – 2030 for consultation between 2nd July 2018 and 30 September 2018.
3. Note that the results of that consultation will be reported to a future cabinet meeting, along with the final Waste Management Strategy for approval.
4. Authorise the Acting Corporate Director of Place to commence procurement of an integrated waste, recycling and cleansing contract via competitive dialogue in September 2018 to be implemented for April 2020.
5. Authorise the Acting Corporate Director of Place to develop an “in house” service option for an integrated waste, recycling and cleansing service for future consideration and approval in September 2018
6. To note the Equalities Impact Assessment considerations as set out in Paragraph 4.1.

1. REASONS FOR THE DECISIONS

- 1.1 The Council last adopted a Waste Strategy in 2003 and since that time the legislative framework surrounding waste management has changed significantly with the EU, the UK Government and the Mayor of London driving the agenda towards a more sustainable and circular economy. This has resulted in challenging targets being set at both regional and national levels. For instance the Mayor for London’s target that by 2030, 65 per cent of municipal waste will be recycled.
- 1.2 Environmental improvements are a key priority for Tower Hamlets, however delivering these improvements within an inner London Borough are challenging. Within Tower Hamlets these challenges are even more complex given it has:
 - One of the fastest growing and most diverse populations in the country.
 - Increasing daily levels of visitors and worker across the borough
 - Over 80 percent of resident living in flats
 - The third highest population density with some of the highest levels of deprivation in parts of the borough
 - One of the fastest growing “night time” and weekend economies in London.

- Increasing levels of waste from residents, business and visitors.
- 1.3 To meet these challenges there is a need to reduce the amount of waste created and increase the percentage that is reused, recycled or composted. We need to work with the people and businesses of Tower Hamlets to encourage pride in our environment and encourage and enable ways of dealing with waste that help us all. We need to collaborate with and provide leadership to businesses, housing associations and others that have a responsibility for managing waste.
 - 1.4 Central to delivering the required change is our ability to improve the way we engage with people. Helping them to manage and minimise their waste, recycle more and take greater personal responsibility for improving their local environment.
 - 1.5 An increased focus on improved engagement, communication and education with resident, business and visitors to the borough is essential in order to encourage positive behaviour change. The need to work closely with registered social landlords, managing agents, private landlords and housing associations is key to encouraging responsible management of waste people produce.
 - 1.6 As such there is a need to develop and consult on a new Waste Management Strategy that presents our ideas about how we will work together to improve services and respond to these challenges. To set out our priorities and guide the way we develop and improve our waste services over the next 12 years.
 - 1.7 To this end, the draft strategy recommends key policy and service changes that are needed to support the delivery of these improvements as well as the behaviour changes and incentives that are required. The strategy itself will be supported by a number of key delivery plans that will be developed.
 - 1.8 Consultation on the Draft Waste Management Strategy is required to ensure solutions designed to deliver these environmental improvements have involved stakeholders and more importantly, been designed around the needs of the Borough's diverse community as well as its physical characteristics.
 - 1.9 Given the challenges of improving the effectiveness of waste, recycling and cleansing services in Tower Hamlets, there is an increased need for further innovation, quality and improved value for money in delivering these services.
 - 1.10 The 2017 annual customer satisfaction survey highlighted a need for improvement with 48% of residents feeling that rubbish and litter was a very, or fairly big problem in their area.
 - 1.11 Proposals for extending the current contracts for waste, recycling and cleansing to terminate at the end of March 2020 were agreed by Cabinet in October 2016. This has enabled officers to develop a range of delivery options and provide detailed information for members to make an informed decision on the most appropriate service delivery model to deliver future

waste, recycling and cleansing services.

- 1.12 The Council needs to commence a process to re-commission these services by no later than September 2018, in order to ensure that the council is in position to provide service continuity and discharge its statutory duties from 1st April 2020
- 1.13 There is the opportunity to assess and deliver the most innovative, cost effective and customer focused future service model, through the adoption of a “twin track” approach, which allows assessment of the benefits of an In - House service delivery model, compared to a new Integrated Waste, Recycling and Cleansing contract delivered via a competitive dialogue procurement route.

2. ALTERNATIVE OPTIONS

Not developing, consulting on, or adopting a new Waste Management Strategy

- 2.1 This would not provide a way of sharing and delivering on a vision for future waste management, or promoting the urgent need for change from a linear to circular economy across Tower Hamlets
- 2.2 This would restrict much needed engagement and communication with a diverse range of key stakeholders across the borough, including residents, businesses, registered social landlords and private landlords. This would make it harder to engage and involve key stakeholders and to encourage them to take more responsibility for managing waste within their control.
- 2.3 This would also restrict our ability to engage with key stakeholders on the implication of updated national and regional waste strategy / guidance.

Alternative Commissioning Options

- 2.4 The Council commissioned a report by consultants Eunomia, to analyse the options available for the future delivery of its waste collection, recycling collection, and street cleansing services with findings presented to the Council in February 2016.
- 2.5 A number of options were considered as listed below. Initial high-level analysis and short-listing determined four options (shown in **bold**) for more detailed consideration against cost, service quality and risk criteria:
 - Contracting out via : **Re-procurement** – going back to the market to conduct a new procurement exercise
 - **In-house** – bringing the service in house to deliver it through a Direct Services Organisation (DSO) or similar;
 - **Local Authority Trading Company (LATC)** – using an authority owned company, either a new company or an existing company founded by

another authority;

- **Sharing services (partnership working)** with other local authorities, either through the creation on a joint In-House service or the joint procurement of an external contractor.

- 2.6 A long list of the commissioning options available to the council is set out in Appendix 1, which highlights the key positive and negative aspects of each option.
- 2.7 The options of establishing a mutual and the two shared service options were not shortlisted for detailed analysis following the high-level analysis of the long list of options.
- 2.8 Establishing a mutual appears to be unworkable from a governance perspective and would in any case require the service to be put out to tender shortly after establishment, potentially resulting in a short-lived experiment. Shared service delivery options are much better tested, but worthwhile approaches cannot realistically be delivered in the timescales available. As such, these options were not taken forward for further consideration.

3. DETAILS OF THE REPORT

Development of the draft Waste Management Strategy 2018 – 2030

- 3.1 The overall objective for the new waste strategy is to drive more sustainable waste management in the borough and contribute to the Councils priorities to deliver on commitments to create a cleaner borough and increase waste minimisation, re-use and recycling.
- 3.2 The full draft waste management strategy is attached at Appendix 2, and presents our ideas about how we plan to improve services and respond to waste challenges, including changes to national and regional waste policy.
- 3.3 In January 2018 the Government issued its 25 year Environment Plan, with key focus on increasing resource efficiency and reducing waste through the following objectives.
- Ambitions of zero avoidable waste by 2050
 - Achieving zero avoidable plastics by 2042
 - Reducing litter and littering
 - Improving the management of residual waste
 - Cracking down on fly-tippers and waste crime
- 3.4 In addition, the Mayor of London has also been consulting on an Environmental Strategy that sets out the following objectives:
- To make London a zero-waste city.

- By 2026 no biodegradable or recyclable waste will be sent to landfill
- By 2030 65 per cent of London's municipal waste will be recycled.
- Set minimum recycling (6 key dry materials) and food waste standards for London's waste authorities, to meet by 2020

Key policy and service changes

- 3.5 The draft waste management strategy provides a future vision for waste, recycling and cleansing services delivering environmental improvements across the whole borough. It highlights our need to drive increases in waste minimisation and increased recycling, with an ambitious target to increase household recycling levels from 28% in 2018 to 35% in 2022.
- 3.6 The waste strategy also supports future delivery of other recent manifesto commitments, highlighted below:
- Improve business access to use of recycling services
 - Continue to roll out of "Smart" litter bins across the Borough and incorporating recycling into street bins.
 - Invest in graffiti removal team
 - Bring in a new Graffiti & Street Art Policy
 - Introduction of a recycling incentive scheme
 - Expand food waste recycling to blocks of flats where practical
 - Provide community composters to council, social housing and private estates/blocks that want them
 - Tougher standards for cleaning, working with social and private landlords to improve the cleanliness of Boroughs estates
 - Work with small businesses to establish a reusable cup scheme
- 3.7 It highlights six priority areas for change outlined in Table 1 below, which have been developed from the feedback received via a series of Members workshops conducted in 2017 and discussions with other stakeholders.

Table 1: Our 6 key priority areas for change

Leading the way forward	We want to properly engage and work with our residents, partners and other stakeholders towards improving environmental outcomes from waste management activities in Tower Hamlets.
Working Together for an Improved Local Environment	We want to promote and encourage pride in our local environment by working together with our communities towards reduced waste and increased reuse and recycling.
Shaping Services to Follow the Waste Hierarchy	We want to shape waste services around the needs of our customers so that they effectively move waste up the Waste Hierarchy and are fit for purpose now, and for the future.
Viewing Waste as a Resource	We want to view and manage our waste as a material resource to enhance our sustainability and the circular economy.
Reducing Carbon and Improving Air Quality	We want to reduce net carbon emissions from waste activities and contribute to local air quality improvement.
Adding Social Value	We want to contribute economic, social, and environmental benefits to the local community by supporting local supply chains, employment, and work opportunity.

3.8 To deliver improvements across these priority areas, the draft strategy highlights key areas for change that require further consultation, policy development and service re-design.

3.9 Detailed below are key areas that require further consultation, policy development and change:

- **Providing consistent and standardised waste and recycling capacity across all households.** Ensure all households have the appropriate waste containers and service provision to enable residents to recycle more of their waste. Addressing multiple collections of rubbish from blocks of flats
- **Consider options for charging for over production of residual**

waste and or extra collections - Additional collections outside of the normal residual waste service would be provided to landlords and managing agents at an agreed cost.

- **Presentation of waste on collection** – Work with registered social landlords, housing associations and private managing agents to ensure that there is free access to communal bins on collection day, with consideration of charges for persistent obstruction to access.
- **Making dry recycling collections more available to all residents**- Ensure easy access to our co-mingled recycling service for recycling paper, cardboard, plastic bottles, plastic pots tubs and trays, steel and aluminium cans and glass bottles and jars. Ensuring that the service achieves high quality recycling.
- **Responsibility for dealing with contaminated communal recycling bins** – To consider the benefits of incentive schemes as part of estates recycling project to increase quantity and quality of recycling. In addition to the levying of charges for the emptying of contaminated communal recycling bins
- **Food Waste Recycling for Flats** – In order to achieve our 35% recycling target by 2022 we need to capture more food waste. So need to consider appropriate options for separate collection of food waste where practical and cost effective.
- **Bulky Waste Service** – Need to review current service and charging policies, exploring options to capture as much material as possible for re-use and recycling.
- **Commercial Waste Service** – The development of an improved commercial waste offer that meets the needs of all businesses, supports increased commercial recycling and reduction of illegal dumping
- **Managing the Night Time and Weekend Economy** – The delivery of effective waste, recycling and cleansing services in all areas that benefit from the night time and weekend economy, with additional funding support from Late Night Levy
- **Cleaning up and managing waste from special events** – To ensure increased cost recovery for clean-up activities following events in the borough.
- **The use of incentives to aid waste minimisation and recycling** – To review and trial the use of incentive schemes to assess impact on supporting behaviour change and increased recycling performance

- 3.10 It is proposed to consult on the Draft Waste Management Strategy between 2nd July 2018 and 30 September 2018. Following this the results of that consultation will be used to produce the final Waste Management Strategy for approval, in addition to shaping the future service delivery model for integrated waste, recycling and cleansing services.

Future Service Delivery Options

- 3.11 The current contracts for waste, recycling and cleansing terminate at the end of March 2020 and the Council needs to commence a process to re-commission these services by no later than early September 2018, in order to ensure that the council is in position to provide service continuity and discharge its statutory duties from 1st April 2020.
- 3.12 A detailed analysis of the commissioning options for delivering a Waste Service through either an In-House, external contract or trading company model was undertaken in February 2016. This work assessed the benefits of different options in terms of cost, value for money, innovation, quality and risk. Building on this work officers have continued to review and challenge the conclusion from this evaluation, re-assessing deliverability of each option. Further detailed analysis and finding will be reported back to the Major and Cabinet in September
- 3.13 Commissioning of the most effective service delivery model involves detailed consideration of the options that best meet the council's objectives, in addition to criteria on cost, service quality and level of risk.
- 3.14 The adoption of a "twin track" approach, allows assessment of the benefits of an "In -House" service delivery model versus an "Out Sourced" contract
- 3.15 This provides the best opportunity to deliver the most innovative, cost effective and customer focused integrated Waste, Recycling and Cleansing service.
- 3.16 The councils Clean & Green Team will require additional resources to mobilise a new service, whether through an In-house or Outsourced option. This will ensure that the current day to day operations of delivering the best service possible to residents is not affected by any proposed changes.
- 3.17** For either option the need for effective client management and contract monitoring is essential. To deliver improved standards of service quality effective performance management and quality control will require adequate levels of client, contract management and supervisory resources.
- 3.18 The option of bringing services in house (or in-sourcing) is always open to local authorities at the end of a contract, as there is no legal requirement to retender services, provided best value can be demonstrated. So, such a move could be either a permanent switch, or a bridging arrangement in advance of reconsideration of the market conditions pertaining to a re-procurement of the service to a private contractor in a few years' time

- 3.19 A number of authority's have recently decided to bring waste service back in-house, either through an in-house Direct Service Organisation (DLO) or a Local Authority Trading Company (LATC), consideration of bringing Waste Services back in-house has been driven by some of the following reasons:
- Lack of performance or achieving performance targets
 - Reductions to council client management functions
 - Lack of continuity between refuse and street cleansing services
 - High levels of customer dissatisfaction
 - Inconsistent application of agreed policies
 - Inflexible responses and failure to apply a 'common sense' approach to issue resolution
 - Lack of resident interaction, education and outreach
- 3.20 Full financial evaluation of these options and any final assessment will be based on best value criteria for risks, opportunities innovation, quality and value for money. This will also take account of the difference in revenue and capital costs. With an In-House option there will be particular focus on the increased capital cost of setting up depots, purchasing vehicles, plant and procuring management and IT systems.
- 3.21 Increased flexibility and ability to trial service options, without having to confirm complete service specifications can make delivery of enhanced service provision, such as providing Food Waste recycling on Estates more straightforward with an In-House option.
- 3.22 An In-House service could also improve management and control of commercial waste services. It is the belief of officers that reduction of the administrative cost of maintaining the current customer portfolio and increase income generation by the service could be achieved.

Procurement approach if services are externally provided

- 3.23 The principal advantage of re-procuring an external contract is to benefit from market competition to secure a price-competitive contract that allows the council to have relative certainty of service cost for the life of the contract. In addition, this competition brings advantages in terms of market experience innovation and expertise in implementing new services.
- 3.24 The advantage of Competitive Dialogue is that it allows organisations to clarify, specify or optimise the final bids.
- 3.25 The ability of the council to exploit this advantage will however largely be determined by two things: a) the degree of competitiveness of the market at the time of procurement and b) the structure of the contract tendered, including the council and the contractor's attitude to the sharing of financial risk related to future costs and income.
- 3.26 An 'outcome-based' specification informs bidders of the service standards that must be met but not the methods of delivery needed to achieve these

outcomes. This gives bidders greater flexibility to decide how and when to deliver their services and encourages innovation. Based on their experience of delivering similar services across the country and beyond, bidders will have different approaches on how to achieve each of the Council's outcomes.

- 3.27 There is shared risk and reward in an outcome based approach to service delivery. The contract will contain incentives and payment deductions relating to the performance against outcomes. These mechanisms seek to drive continuous improvement throughout the contract term and innovative approaches to service delivery.
- 3.28 The contract term is proposed to be for an initial period of up to 8 years, with the option for the Council to extend for up to a further 8 years, the duration of which may range from 1 year to 8 years, with no lower or upper limit to the number of extensions the Council can arrange, subject to not exceeding the maximum contract length of 16 years. It also provides the contractor with more time to efficiently recover the capital investment that will be required in fleet and other infrastructure.
- 3.29 The Council is keen to attract a range of strong bidders to ensure that we achieve the best possible outcomes. As such we need to ensure that the contract parameters are clear and simple; limiting any complexity that adds both time and cost to finding optimum solutions. The ambition set out above is testing, and the tools that will be required to achieve this must allow the use of proven best practice
- 3.30 It is proposed that the services standards and outcomes and performance measures will be included within the scope of the competitive dialogue process, with decisions on the items to include within the final contract to be established through the outcomes of the dialogue sessions.

Managing Risk

- 3.31 As with any venture of this nature, there will be risks associated that will need to be identified, evaluated and analysed as part of progressing with such a project for either commissioning model.
- 3.32 Risk analysis logs will be developed in order to give oversight to all potential risk which would need to be overcome and managed to complete this transfer successfully. These risks will be grouped into Financial, Political, Operational, Legislative, Technological and Reputational issues and will identify associated mitigation to overcome each potential problem. Examples of such risks are as follows;
- Political risks of moving to an In-House service , with concern about the scale of change and potential for impact on quality and delivery of service leading to reputational damage.

- The authority could face greater financial risk through in-house service mis management than if through commissioning a contracted service, whilst alternately receiving greater reward by delivering efficiencies through innovation.
- With an outsourced contract there is risk that any service changes in relation to policy or service needs will involve additional costs through contract variations. This is likely when service specification changes have not been fully anticipated or costed in at start of contract.
- For an In – House service the responsibility for industrial relations would fall onto the authority, should disruption impact on service delivery. However, even with an outsourced service, the reputational risk of industrial relation would remain an authority’s risk rather than the contractor.
- For an In - House Service there will be the need to recruit officers with the experience to operationally manage the service, as this experience does not exist within the current service structure.
- Changes to the service provision proposed by the authority for reason on innovation, technological advances or financial pressures are more difficult to manage with an outsourced service then the flexibility provided by managing an in-house service.
- If the contract is externally provided, there is a risk that a lack of market competition means that the authority may not receive best value for money from bids.

4. EQUALITIES IMPLICATIONS

- 4.1 An Equalities Analysis has been carried out in relation to the Draft Waste Strategy to identify any evidence or views that suggests that different equality or other protected groups (inc’ staff) could be adversely and/or disproportionately impacted by the proposal.
- 4.2 The majority of the proposals will make positive impact on the environment of the Borough, which will be beneficial for all regardless of their background. The service will conduct consultation to identify any specific impact of this strategy on those protected groups.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report highlights further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

5.2 Best Value Implications

- 5.3 The current contracts for waste and recycling services have a combined annual value of approx. £29.7M. The ability to deliver efficiency savings through the commissioning process will be determined by the decisions made regarding the scope and volume of the services to be provided and the specific performance targets that are set for the contractor to achieve. The principles of continuous improvement inform the development of the contracts and integral performance management and review processes.
- 5.4 It is proposed to adopt a “twin track” approach for commissioning an integrated waste, recycling and cleansing services from April 2020. This involves starting a competitive dialogue procurement process from early September 2018, whilst also working on an In-House delivery option for future consideration. Given the challenges of improving waste, recycling and cleansing services across the Borough, this approach allows for the development of these services whilst maximising opportunities for innovation, quality and value for money.

5.5 Environmental (including air quality)

- 5.6 The Council’s waste management services contribute to the protection of the environment and protecting human health through the effective management of waste arising in the borough.
- 5.7 Moving waste up the waste hierarchy i.e. by ensuring a greater quantity of waste is re-used or recycled as opposed to being disposed of as residual waste, contributes to the Council’s efforts to mitigate the impacts of climate change by reducing the carbon footprint of the Council’s waste management services.
- 5.8 Through the re-commissioning of future waste management services the Council will ensure the approved delivery option contributes to the Council’s sustainability agenda by ensuring the vehicle fleet meets the latest emissions’ limits specifications and detailed improvement plans are in place for contributing to a greener environment.

5.9 Risk Management

- 5.10 It has been identified in section 3 of the report that individual aspects of the scope and nature of the new services carry varying degrees of risk for the Council and the new contractor. The following are the key areas of risk the above arrangements are seeking to mitigate.
- The outcome of the EU referendum has created a period of uncertainty surrounding how the legislative framework for waste management services may be impacted by the UK leaving, as much of the current legislation has been driven by EU Directives. Ensuring the focus for the new services remains on the waste hierarchy, sustainable good practice, cost efficiency

and meeting the needs of the local community, the service can somewhat mitigate the potential impacts of changes to the legislation.

- The anticipated growth in population will result in increasing total annual tonnages of Municipal Waste being generated, increasing pressure on future services and the resources needed to deliver those services and the Council's budget. By ensuring the new contracts incorporate appropriate mechanisms to provide flexibility to incorporate the growth with maximum efficiency, the likely cost increases can be mitigated.
- To help mitigate the impact of population growth on the quantity of waste the Council has to manage in future years, the new services will incorporate a greater focus on driving waste minimisation. Being at the top of the waste hierarchy and meaning waste generation is prevented would provide the greatest opportunity to reduce the Council's costs for waste management services.
- The nature of the Council's housing stock provides significant challenges for the delivery of recycling services and aspirations to achieve the higher level of recycling performance the new Mayor of London has pledged. The new services will have a greater focus on driving the right behaviours to improve both the quality and quantity of recyclable materials the council collects. This will help to mitigate the overall costs for waste services.
- Lack of effective engagement with key stakeholders such as registered social landlords, managing agents and housing associations in relation to the proposals for controlling residual waste and implementing charging for additional collections.
- Negative publicity in relation to taking a more robust approach to enforcement of littering and small scale dumping
- Depot -Bidders are deterred from bidding because of uncertainty on the availability of a depot solution for the start of the contract;
- Bidders are concerned with the costs incurred through a competitive dialogue process and therefore do not respond to the procurement opportunity or inadequately resource their bidding team;
- Bidders have reservations about their ability to meet the proposed significant savings from this contract;
- Bidders have reservations with the proposed contract term, especially as this procurement will run in parallel with other major procurement projects and the Council is not the biggest player in the market, and;
- Bidders are deterred from bidding for the contract because of the uncertainty around public sector budgets and the possibility of further reductions at a later date.

- Ensuring that the level of risk being transferred to the contractor is balanced and proportionate to the Council's overall objectives in the procurement process will help to mitigate the risk of the new contracts becoming unaffordable.

5.11 Crime Reduction

- 5.12 The Council's activities for tackling litter, fly tipping, removal of graffiti and flyposting that are incorporated into the Draft Waste Management Strategy. This work contributes to the Council's efforts in managing anti-social behaviour within the borough. The new waste management specification will continue to incorporate the current policy requirement for the immediate removal of racist or offensive graffiti from Council owned property.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The report sets out the Draft Waste Management Strategy 2018-2030 for approval. As part of the development of the strategy key policy and service changes are proposed to enable delivery of sustainable improvements to waste management. In setting out the ambition and priorities for the Council the strategy focuses on 6 priority areas. These areas have been developed for the purpose of shaping the future waste service delivery model for the borough over the next 12 years. Consultation on the draft strategy is due to commence on the 2nd July 2018 for the period to the 30th September 2018.
- 6.2 The current contracts for waste collection, recycling and cleansing have been extended for the period of the 1st April 2018 to the 31st March 2020 at a value of £19.2M per annum. In addition to those contracts there is the Commercial Waste contract which generates income of £3.2M. This service will also need to be included within the commissioning process. The extension to the contracts has delivered total savings of £1.030M in 2017-18.
- 6.3 The new contract for delivery of these services will need to commence from the 1st April 2020 to ensure that the Council is able to discharge its statutory duty. To ensure the best solution is commissioned, consideration is given in the report to the key impacts on the options in terms of cost, value for money, innovation, quality and risks. The recommendation proposed is that a "twin track" approach is adopted that provides the opportunity to consider a procurement process via competitive dialogue, alongside the development of an in-house service option.
- 6.4 At this stage the focus for officers is a "twin track" approach to commission either an in-house service or contracted out. A detailed analysis of the comparative benefits and concerns around the key issues are highlighted in this report, they will best determine the impact on the deliverability, in terms of cost, value for money, innovation, quality and risk. A further cabinet report on the options is expected in September 2018.

- 6.5 The Council's spends approximately £29.7M in total annually on waste management. The draft Waste Management Strategy 2018-2030 will form an important justification to support the key areas of policy and service change to deliver the future improvements. The commissioning approach recommended provides the opportunity to ensure that best value can be determined in the choice of option approved for delivering the waste, recycling and cleansing services. There will also need to be the full appraisal of the capital investment requirements that include the redevelopment of a new depot and lead times for procurement, to ensure availability at the start of the contract date.
- 6.6 Given the demographic changes to the borough since the contract was originally awarded to Veolia in 2006 and expected future population changes, there is a risk that Tower Hamlet's spend on Waste Services could increase whichever commissioning option is taken.
- 6.7 Stakeholders must be made aware that significant capital investment may be required to procure a new Waste Service Fleet and investment in IT systems to run the routing and data management for the service.
- 6.8 The investment in a new fleet will likely be required should the service be procured In-House or with an external contractor. The value of this Capital investment would be reduced if the service decided on a leasing option for vehicles rather than purchase, however, that would impact on the value of revenue savings delivered. If a decision to bring the service in-house is agreed, a full purchase vs lease financial analysis would form part of the full financial analysis of an in-house option.
- 6.9 Many of the services are currently provided from the Council's Blackwall Depot. To achieve efficient and effective service delivery under a new contract, either in-house or outsourced, the Depot will be required for the delivery of the services under any new arrangement.
- 6.10 The Council is carrying out a feasibility study into options to rationalise the use of the Depot. The recommendations and timescale for any subsequent work are not yet clear, so any lease would need to allow the flexibility for the Council to implement any agreed changes resulting from the feasibility work.
- 6.11 There will continue to be significant competing demands on Council budgets to deliver its priorities. The commissioning option selected will need to be quantified and the financial impacts reviewed as part of the development of the Council's Medium Term Financial Strategy and Capital Strategy before implementation. Any decision taken will need to be made on the basis of securing value for money for the Council.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Council is the relevant waste authority for this area under the law and has the legal function to provide waste related services and the legal power so to

do. Under legislation the Council also has the power to do anything ancillary to that function (for example enters into contracts for services to meet that function). Therefore it is open to the Council under the law to purchase the provision of these waste services. Similarly it is open to the Council to also pursue an interest in providing the service in house at some point in the future. Therefore, the actions referred to in this report are compliant with the Council's waste related legal duties

- 7.2 The overall scope of the services will be defined by the Council's new waste strategy currently in draft form. The proposed consultations referred to in paragraph 4.1 will only be valid if they take place whilst the Council's decisions relating to the strategy are still at a formative stage. However, the significant decisions in this regard are to be taken in September and consultations will be occurring prior to that as the strategy is developed. Therefore, given the nature of the recommendations in this report it is permissible to proceed on the basis that consultations are due to take place, provided that the consultations are complete and the results considered prior to making the further decisions in September.
- 7.3 At the moment authority is only being sought for the commencement of a procurement process but it will not be until the final strategy is decided upon that the specification against which providers could bid can be created. Similarly, in the event that the final decision is an in house service the requisite structuring of the Council to provide such a service will not be known. In both instances whilst it is permissible to follow the current approach, this may lead to some cost wastage.
- 7.4 The Council has a legal duty to provide these waste services. Therefore, the main risk to the Council is the inability to continue to provide the services at the expiry of the existing contract. Whilst there is a risk of cost wastage by following a twin track approach at this stage, this is balanced off against this larger risk. Also, any tendering approach must follow a fully European Law compliant process which needs to commence now so that a new contract could be completed and mobilised in time for the end of the existing contract.
- 7.5 In all aspects of the draft strategy and potential contracts / in house service there are clear implications for persons who have a protected characteristic for the purposes of the Equality Act 2010. Initial, Equality Assessments have occurred and the results taken into account to guide the current approach and the Council has planned further assessments and consultation in this regard as the approach is developed over the next few months. This is compliant with the Council's Equality Duty and is sufficient at this stage for the Council to understand the impact of its decisions on persons who have a protected characteristic. The legal duty on the Council is to ensure that it properly understands the impacts of its decisions for the purposes of Equalities. The carrying out of the planned further assessments and consultations will ensure that the Council remains compliant with this legal duty.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 - Longlist of commissioning options
- Appendix 2 - Draft Waste Management Strategy 2018 – 2030

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

- NONE

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Appendix 1 - Longlist of Commissioning Options

	Pros	Cons	Cost Implications	Key Risks
Contracted Out	<ul style="list-style-type: none"> Consistent annual cost Competition between contractors may increase efficiency and drive down cost Risk of overspend and changing costs lie with contractor 	<ul style="list-style-type: none"> Negotiation required to make any service change & may be impossible to agree Less cost & service delivery transparency Market conditions now less favourable & fewer bidders active within the market than in the past 	<ul style="list-style-type: none"> Have to pay contractor profit margin Lower pension costs May benefit from contractor's purchasing power providing access to greater economies of scale One-off costs - such as cost of procurement 	<ul style="list-style-type: none"> Contract is under-bid, potentially leading to drop in service quality No direct control to change service if quality drops or recycling rate is not achieved
In House	<ul style="list-style-type: none"> More control, e.g. unilateral ability to make service changes Service changes can be made quickly No procurement needed More flexibility to make capital investment to reduce revenue cost 	<ul style="list-style-type: none"> Council directly liable for any overspend Workforce management may be more challenging & lead to lower productivity No competition to drive service efficiency 	<ul style="list-style-type: none"> Higher pension costs No profit margin Uncertainty around one-off costs (such as recruitment and other transition costs) 	<ul style="list-style-type: none"> Ability to employ appropriately skilled and experienced staff All cost risks lie directly with the council Operational risks such as health and safety lie entirely with the council
LA Company	<ul style="list-style-type: none"> Company under direct control of the council, so has similar control to an in-house service No procurement needed Arms-length from the council – can be operated along more commercial lines with ability to trade outside of borough 	<ul style="list-style-type: none"> Overspend risks lie ultimately with the council Workforce and productivity management, although arms-length, is still ultimately a council risk No competition to drive service efficiency 	<ul style="list-style-type: none"> Lower pension costs No profit margin Uncertainty around one-off costs (such as company set-up, recruitment) Some flexibility to carry out commercial work (up to 20% of company turnover) 	<ul style="list-style-type: none"> Council still directly liable for overspend Relatively novel approach with some uncertainty on delivery model

	Pros	Cons	Cost Implications	Key Risks
Shared Service	<ul style="list-style-type: none">• If contracted out, would be a higher value contract and thus could attract more competition	<ul style="list-style-type: none">• Would be time consuming to set up• May be difficult to find a partner	<ul style="list-style-type: none">• Cost savings from shared management structure	<ul style="list-style-type: none">• May be difficult to get everything in place within the timescales

Appendix 2: Draft Waste Management Strategy 2018-2030

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London Borough of Tower Hamlets

Draft Waste Management Strategy

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2018-2030

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Foreword from Cabinet Member for Environment

Tower Hamlets is a growing borough. Over the next ten years the population is projected to increase from 317,000 to 371,000. The number of homes is targeted to go up by 39,000 in the ten years to 2025 in the London Plan. The number of businesses and people working here is likely to increase. All of which will increase the amount of waste that the council needs to collect and dispose of. And this increase in waste will come at a time of shrinking budgets.

Already high, the density of the population will increase. And it's likely that the percentage of the population living in flats, over 80%, won't change.

This draft waste management strategy presents our ideas about how we improve services and respond to these challenges. It sets out six priorities to guide the way we develop and improve our work over the next 12 years.

We need to reduce the amount of waste created and increase the percentage that is reused, recycled or composted. We need to work with the people and businesses of Tower Hamlets to encourage pride in our environment and encourage and enable ways of dealing with waste that help us all. We need to collaborate with and provide leadership to businesses, housing associations and others that have a responsibility for managing waste. Reducing carbon emissions and improving air quality is an important part of what we want to achieve. Getting the most for local people and businesses out of those who deliver waste services is another goal we're setting ourselves.

I hope that you will contribute to the consultation over the summer and help us shape the final strategy together.



Councillor David Edgar

Our Vision and Aims - Six Key Priorities

We want everyone in Tower Hamlets to play their part in improving and protecting our environment. Taking action to reduce the impact of waste and helping make the Borough a place they are proud of and love to live and work in.

Leading the way Forward	
<p>We want to properly engage and work with our residents, partners and other stakeholders towards improving environmental outcomes from waste management activities in Tower Hamlets.</p>	
Working Together for an Improved Local Environment	
<p>We want to promote and encourage pride in our local environment by working together with our communities towards reduced waste and increased reuse and recycling.</p>	
Shaping Services to Follow the Waste Hierarchy	
<p>We want to shape waste services around the needs of our customers so that they effectively move waste up the Waste Hierarchy and are fit for purpose now, and for the future.</p>	
Viewing Waste as a Resource	
<p>We want to view and manage our waste as a material resource to enhance our sustainability and the circular economy.</p>	
Reducing Carbon and Improving Air Quality	
<p>We want to reduce net carbon emissions from waste activities and contribute to local air quality improvement.</p>	
Adding Social Value	
<p>We want to contribute economic, social, and environmental benefits to the local community by supporting local supply chains, employment, and work opportunity.</p>	

Introduction – Why do we need a waste strategy?

Tower Hamlets is growing. As a dynamic and vibrant place to live, work, learn and play with diverse and creative communities, award winning parks and a successful world class economy. This growing economy creates opportunity for residents and businesses and makes it more essential than ever that the growing amount of waste and recyclable resources that we produce is managed in an effective and efficient way.

Waste is increasing. Since we first introduced a Waste Strategy in 2003, the way we think about ‘waste’ has changed dramatically – from a problem to be managed to a source of valuable materials. New laws require us to increase the quality and quantity of materials recycled, and there is growing interest in finding ways to avoid waste altogether by using resources again and again. We also need to think about ways of reducing the amount of waste we generate in the first place, so we have less to deal with.

We are suffering from the impact. Poor waste management, litter, fly tipping, graffiti, flyposting and dog fouling are all forms of “Envirocrime” that affect us all. Damaging our environment, our neighbourhoods and our economy.

We want environmental improvements we can be proud of. We want to create a cleaner, more environmentally sustainable place for everyone who lives,

works and visits Tower Hamlets that is somewhere our communities can continue to be proud of.

It’s not going to be easy with the challenges we face.

Delivering environmental improvements within an inner London Borough is challenging and within Tower Hamlets these challenges are even more complex given that it has:

- The fastest growing and most diverse populations in the country.
- Increasing daily levels of visitors and workers across the borough.
- Over 80 percent of resident living in flats
- One of the highest population densities and some of the most deprived parts of the country.
- One of the fastest growing “night time” and weekend economies in London.

So we need to involve more people.

To achieve this, we know we need to work with as many residents, businesses, registered social landlords, housing associations, partners and other stakeholders as we can to reshape services around the needs of our customers. We will work harder to help people manage and minimise waste, recycle more and take pride in improving their local environment. We need everyone, the council, residents, visitors and businesses, to do their bit to make sure we leave a positive legacy for future generations.

We need to be ambitious. We have set ourselves challenging waste and

recycling targets and plan to increase the household recycling rate from 28% to 35% by 2022.

We will also expand our targets to include increased waste minimisation and recycling from all businesses across the borough.

This strategy sets out how we will approach waste management in the next 12 years and help residents, businesses and visitors reduce the amount of waste sent for disposal. We want to help prevent waste happening in the first place, but when it does, we want to recycle, compost and reuse as much of it as possible. This will prevent valuable materials going to landfill or the energy from waste facility to generate energy and will help us reduce our costs. It is an ambitious plan, but we believe it can be done.

We need to innovate to improve. The council will need to invest in new ways of managing waste

which could increase the cost of services at the same time that the public sector is under pressure to improve efficiency and reduce expenditure. We will have to be more efficient, innovative and committed than ever, and the public will have to play their part.

We will take opportunities to deliver the most innovative, cost effective and customer focused future waste management, recycling and cleansing service.

We need to consult with Tower Hamlets people, businesses and partners. We need to consult widely on this Draft Waste Management Strategy to ensure solutions designed to deliver environmental improvements have involved all key stakeholders and more importantly, been designed around the needs of the Borough's diverse community as well as its physical characteristics.



Our Waste Management Challenges

Waste Management Changes

The pace of change in Tower Hamlets over the last 15 years has brought both challenges and opportunities. Since 2003, we've had to expand our waste services delivery to respond to a 27% increase in housing stock. Despite changing circumstances, we've been able to successfully roll out service improvements to achieve a number of milestones.

The changing national and international situation regarding waste management and the uniqueness of Tower Hamlets presents a number of waste management challenges:

- The legislation governing waste management in England has been driven by a common European Union framework. The outcomes of Brexit upon the longevity and relevance of this legislation are uncertain at this time.
- Changing international markets for recyclable materials and limited access to regional recycling facilities may result in increased recycling costs.



Annual household recycling has increased dramatically from 3.5% in 2003 to 28% of in 2016/2017

Collection of food and garden waste from street level properties implemented in 2008

Household waste has reduced by 4% per person since 2009/2010

Beginning in 2011/2012, all residual waste has been diverted from going directly to landfill to energy recovery

We have successfully responded to the continual rise in annual total household waste following population growth

We collected and processed 116,704 tonnes of total municipal waste in 2016/2017

Our residents are positive regarding our recycling and refuse collections - Resident satisfaction for refuse collection in 2017 was 72%; recycling collection was 66%

Tower Hamlets population and households keep growing

- The projected increase in Tower Hamlets' population¹ along with housing development pressure², particularly in Blackwall and Cubitt Town and the Isle of Dogs, will add pressure to our waste and recycling collections services.
- Tower Hamlets has an increasingly high population density and high levels of deprivation.
- The high percentage of flats in Tower Hamlets (greater than 80%) requires the use of communal recycling schemes which typically yields half the amount of recycling that is achieved from low rise properties (per household). Lack of indoor storage space and infrastructure in flats can mean that flatted residents are unable to separate their waste in the home for recycling. This leads to high levels of recyclable waste being disposed of.
- Tower Hamlets' highly transient population means lower recycling rates. Home owners tend to recycle more whereas communities with larger numbers of highly mobile renters mean that people often don't live in one area

¹ Tower Hamlets' population is projected to increase from 317,200 in 2018 to 370,700 in 2028. This is 17% growth, almost twice as fast as London (10%) and is equivalent to 15 additional residents every day for the next decade.

² The number of households in Tower Hamlets is projected to increase from 132,100 in 2018 to 160,100 in 2028.

long enough for behaviors to become embedded³

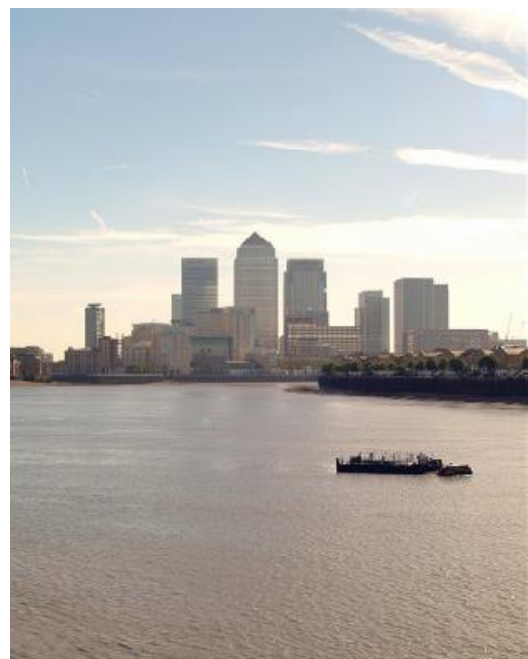
- Continuing cuts to council budgets means all council services, including waste management services, are experiencing growing financial pressure.

Business is on the increase

In March 2017 there were around 16,800 local enterprises in Tower Hamlets. The number of businesses has grown by 55% in the last 5 years (up from 10,900 enterprises in 2012)

The vast majority of businesses in the borough are small businesses. 98% of enterprises employ fewer than 50 people.

In 2016 there were an estimated 278,000 employee jobs in Tower Hamlets which is higher than the number of working age residents (225,300). In 2015 Tower Hamlets had 1.35 jobs for every working age resident which was 6th highest job density in London.



³ 73% of total housing in Tower Hamlets is rented

Waste in Tower Hamlets

Waste Tonnages 2016/ 2017

Waste Type	Dry recycling	Food and garden waste	Textile reuse and recycling	Residual waste	Bulky waste	Totals
Houses, flats and schools	10,787	827	595	37,780	2,819	52,808
Non- Household (inc Business Waste)	791			40,914		41,705
Cleansing (inc flytipping)	7,107			12,044		19,151
Reuse and Recycling Centre	1,188	194		1,658		3,040
TOTALS	19,873	1,021	595	92,396	2,819	116,704

Where the material goes

Where our waste and recycling goes after collection	
Mixed Dry Recycling	Our mixed dry recycling is sorted into separate materials at a Materials Recovery Facility before being sent to be made into new products
Food and Garden Waste	Our food and garden waste is taken to an In Vessel Composting Facility where it is processed into a compost product
Waste Electrical Items	Our waste electrical and electronic equipment is taken to Northumberland Wharf Waste Transfer Station where the items are separated before being collected by different re-processors depending on the type of electrical equipment
Residual Waste (Rubbish)	The residual waste we collect is taken to Northumberland Wharf from which it is transferred to an energy from waste facility in Belvedere
Other Wastes	For other wastes we use various other treatment methods depending on the nature of the waste collected

Waste and Planning

Tower Hamlets will continue to face considerable development pressure throughout the life of the Waste Strategy. The planning process, guided by the revised Tower Hamlets Local Plan will assist developers to give due consideration to the Waste Hierarchy and provide effective bin stores and infrastructure, services and facilities⁴.

New developments in Tower Hamlets must include sufficient space to separate and store dry recyclables, organics and residual waste for collection within individual and multi-occupancy properties. The volume of waste produced by households is limited to volumes (per household type) embedded within the Local Plan. This restriction is in place encourage residents to minimise unnecessary refuse production and to in turn encourage recycling



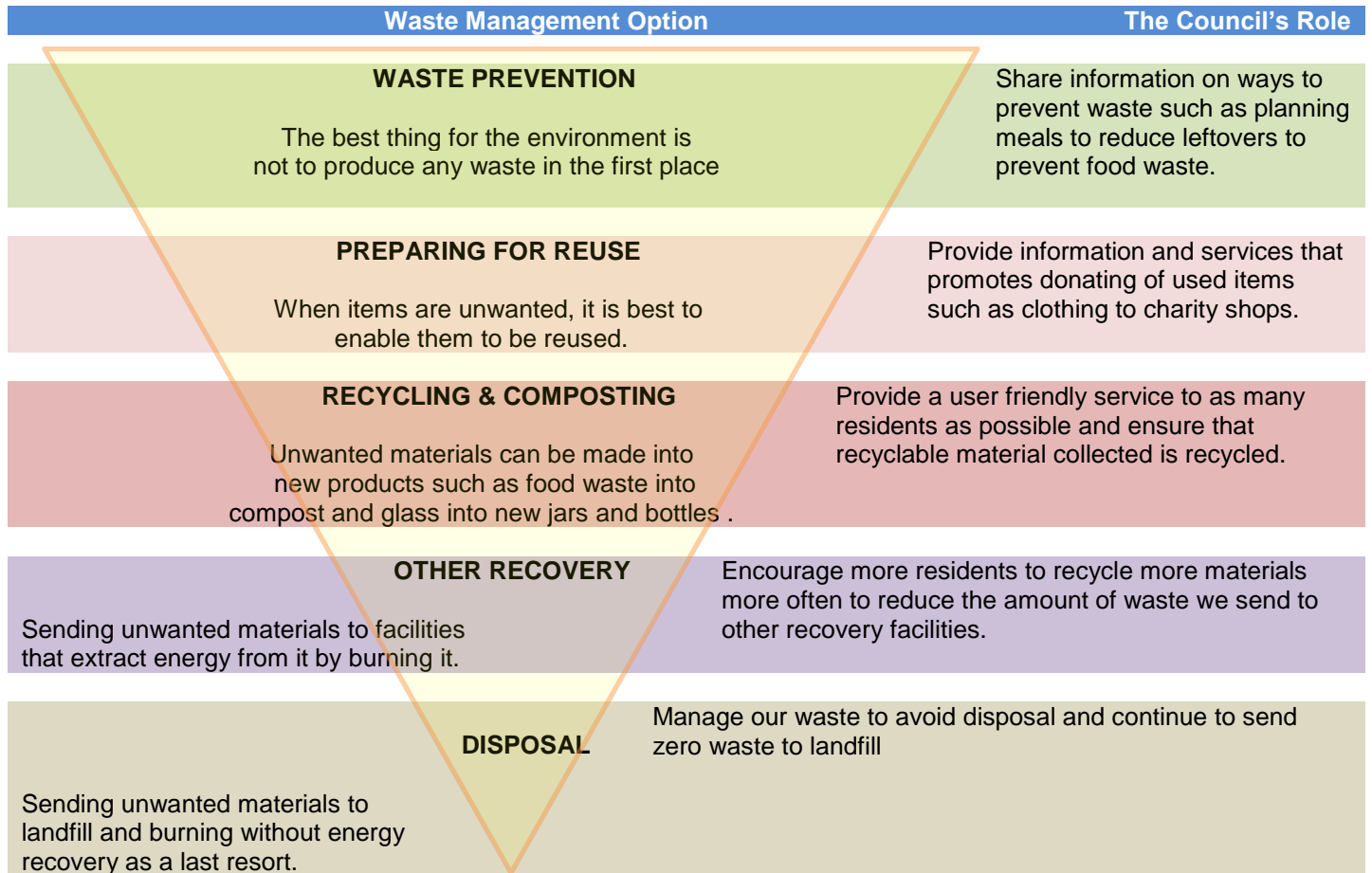
⁴ Tower Hamlets Local Plan Policy: ES9

Drivers of Change

Waste management legislation has changed a lot over the last 15 years in response to a number of key environmental challenges. New objectives and targets have also been set at the national and regional levels for waste management moving forward⁵. Two key related concepts have emerged from these changes, the Waste Hierarchy Model and the Circular Economy.

The Waste Hierarchy

The ‘best practice’ model we use to manage our waste is the Waste Hierarchy (illustrated below). The Waste Hierarchy sets out the preferred order of priority for managing waste in terms of what is best for the environment. The Hierarchy places the greatest emphasis on preventing waste, then reuse, followed by recycling and other value recovery methods. Disposal, or not recovering any value (energy, reusable material), is considered the least desirable outcome.



Moving waste up the Hierarchy away from disposal towards prevention is considered the most viable model for managing waste towards a sustainable Circular Economy

⁵ National targets and objectives are set by Our Green Future: Our 25 Year Plan to Improve the Environment (2018) and regional targets are set by the Mayor of London’s Environment Strategy (2018).

The Circular Economy

Our current linear economy (extract > manufacture > consume > dispose) produces far too much waste and is environmentally and economically unsustainable. The growing need to become more sustainable means that we need to move to a more 'circular' economic model where the value of products, materials, and resources is 'kept alive' in the economy for as long as possible⁶. Our role in this process is to help 'close the loop' of product lifecycles through waste prevention, and greater recycling and re-use by applying the Waste Hierarchy.



What can I recycle?

			
Glass bottles & jars	Food & drink cans	Plastic containers	Mixed card
			
Mixed paper	Food & drink cartons	Aerosols	Telephone directories

No thanks

			
Black bags & carrier bags	Food waste	Nappies	Clothes & shoes

⁶ The European Union's Circular Economy Package (2015) aims to support the transition away from a linear to a circular economy.

Current Services and how they might change

Collections from our residents

Collection services for residents living in houses/low rise properties

Now: We provide a weekly kerbside collection service for residents in houses (including HMOs and converted houses) for food and garden waste, dry recycling and residual waste. This covers circa 20,000 households.

We provide starch liners, a kitchen and collection caddy for the storage and collection of food waste and a green reusable bag for garden waste. Starch liners are delivered twice a year and made available for collection from Idea Stores and libraries.

The dry recycling collection service is comingled and collects the following materials: card, paper, glass bottles and jars, food and drinks cans, food and drinks cartons, plastic bottles and plastic pots, tubs and trays. Single use sacks are used for the collection of dry recycling and these are delivered to houses twice a year and made available for collection from Idea Stores and libraries. Residents in suitable properties and with space can order a purple wheeled bin for the storage and collection of dry recycling.

Residual waste is collected, predominately, from black sacks. However, some households have purchased their own wheeled bin which we empty each week.

The food waste collection service has a low take up with only 17% of households

participating in the scheme. Support in the dry recycling collection service is high though with circa 62% of households using the scheme.

Over 50% of what goes in the black sacks can be recycled through the food and garden waste and dry recycling schemes.

Our plans: We want to encourage the movement of waste up the waste hierarchy by encouraging reuse, maximising the amount of recycling collected and reducing the amount of waste collected overall. We will continue to provide weekly waste collection services from houses/low rise properties. We will look to restrict the amount of residual waste that can be collected each week from houses, through restrictions on the number of black sacks that will be collected and the size of wheeled bin permitted to provide consistent and standardised waste and recycling capacity across all households. We will actively promote the recycling services that are provided to residents and their duty to manage and present their waste best for collection.

Collection services for residents living in flats

Now: More than 80% of households in Tower Hamlets are flats which means it is important that we help residents in flats recycle as much as possible.

Residents in purpose built flats have their residual waste and commingled dry recycling collected from bulk communal bins. Access to the residual waste bins is direct or through chute systems.

Recycling containers are located, where possible, in bin store areas with residual waste containers. However in many older blocks of flats recycling was not considered in the design of the block. They do not have space in existing bin store areas to cater for recycling, or they have residual waste chute systems and rooms, so recycling containers are located outside bin rooms or in a convenient location on the estate.

There are a number of estates which have underground systems for residual



waste and dry recycling. Some smaller blocks have a kerbside collection and are requested to leave their dry recycling in the single use sacks outside the main entrance each week.

To help residents recycle, single use sacks are made available for all via the Idea Stores and libraries across Tower Hamlets.

Our plans: We will work with registered providers, managing agents and other landlords to move towards better management of waste on estates and for blocks of flats. We will:

- Provide support in promoting and encouraging resident participation in the recycling services
- Provide guidance on roles and responsibilities to ensure all properties have suitable designated areas for waste and recycling bins that are accessible to their tenants and to ensure their tenants know how to use the facilities correctly
- Help to Improve presentation of waste on collection day
- Consider the responsibility for dealing with contaminated communal recycling bins

To encourage recycling consideration be given to move towards a once a week collection of residual waste from all blocks. In addition we will only provide a collection for the number of containers in accordance with our Waste Planning Guidelines. Together these will deliver a consistent and standardised waste and recycling capacity across all households. We will look to charge landlords and homeowners for over production of residual waste and/or extra collections.

We started an Estate Waste Improvement Project in 2018 to progress a range of infrastructure improvements and schemes in purpose built blocks to increase levels of recycling and better

general management of waste on estates. This project will span two years and work closely with housing providers and engaging with residents to ensure blocks of flats have sufficient and easy to use waste and recycling facilities. The food waste recycling service will be expanded to blocks of flats where practical and cost effective.



Collection services for flats above shops

Now: Flats above shops are provided with a kerbside collection, of both residual waste and dry recycling, weekly or daily depending on their location. All main routes have time-banded collections with the recycling collected at least once a day.

Single use sacks, for the storage and collection of dry recycling, are delivered to flats above shops twice a year

Our plans: We will consider providing flats above shops with specific residual waste sacks so that residential waste can be identified from fly-tipped business waste.

Other services

Now: We have one Reuse and Recycling Centre located in Tower Hamlets for residents to bring in a wide range of materials for recycling.

We provide compost bins and wormeries at discounted prices to enable and encourage home composting.

There are a number of recycling centres (for dry recycling) and textile banks located throughout the Borough and small WEEE bins in the libraries. However, the need for the recycling centres has decreased as the recycling service to flats and flats above shops has been improved and we envisage their need to decrease further.

We also run other events and schemes to encourage waste minimisation, reuse and recycling, for example Swap Days, Love Food Hate Waste events, information stalls in the Idea Stores.

Our Plans: Provide more residents with access to opportunities for recycling a

range of materials, such as textiles and WEEE. We will review how this can be achieved through collections directly from households or through other outlets such as council and housing offices and using local reuse networks and charities.

We will support community composting for estates and blocks of flats to enable residents to compost food waste.



Collection services for schools

Now: All schools are provided with a free collection of co-mingled dry recycling and food waste. The schools are provided with recycling wheeled and bulk bins, food waste wheeled bins, caddies and caddy liners.

We provide schools with a paid for collection of residual waste. This service is discounted and the schools pay for the collection costs only, not disposal costs.

Our Plans: We will support schools to encourage the use of all recycling services and ensure that the recycling is free from contamination.

Collection services for businesses

Now: The Council offers a commercial residual waste and dry recycling collection service to businesses within Tower Hamlets. The dry recycling is collected co-mingled and is offered at a lower cost (than residual waste) to act as an incentive to recycle.

In 2016/17 over 31,000 tonnes of residual waste was collected by the Council from local businesses but only 790 tonnes of dry recycling.

Our Plans: We will develop an improved commercial waste offer that meets the needs of all businesses and supports increased commercial recycling and reduction of illegal dumping. We will actively promote the dry recycling collection service and look in to the feasibility of offering a food waste collection.



Cleansing Services

The majority of our residents, businesses and visitors take responsibility for the waste and litter they produce and use the services we provide. Unfortunately there is a small minority of people that do not. Their actions result in litter, fly-tipping, and dog mess on our streets and in our parks as well as graffiti and flyposting. All of which, damage the environment that we all live and work in.

The council is legally responsible for the cleaning and maintaining the streets, parks, gardens and other public places in Tower Hamlets and we aim to keep the environment attractive for our residents, businesses and visitors.

We will continue to run our “Big Clean Up” events and encourage and support local community groups and other volunteers to get involved in helping keeping the borough clean and tidy.

Now: The 2017 annual customer satisfaction survey highlighted a need for improvement with 48% of residents feeling that rubbish and litter was a very, or fairly big problem in their area.

As a result of this we are delivering a programme of environmental cleanliness improvements, with key actions targeting litter, detritus, graffiti, fly posting and fly tipping.

Our plans:

Tackling graffiti - We are working to bring in a new graffiti and street art policy, as well as increasing resources to tackle unwanted graffiti.

Tougher cleansing standards - We are looking at tougher standards for cleaning,

including working with social and private landlords to improve the cleanliness of the Borough’s estates

Managing the Night Time and Weekend Economy – We will deliver more effective waste, recycling and cleansing services in all areas that benefit from the night time and weekend economy, with additional funding support from the Late Night Levy.

Litter Bins and Recycling – In addition



to over 1000 litter bins across the Borough, we will continue to roll out “Smart Bin” and recycling litter bins in key locations

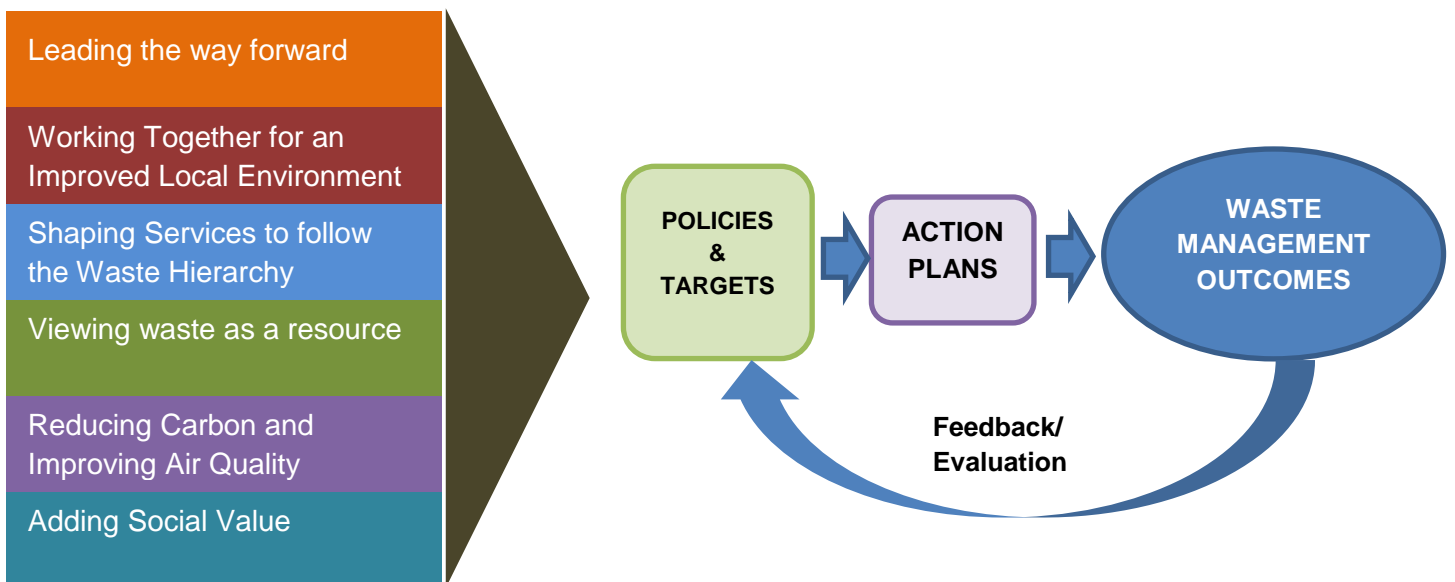
Special Events – We will continue to clean up and manage waste from special events, with increased cost recovery for clean-up activities.

Delivering on our priorities for environmental improvement

Our Delivery Framework

The six key priorities proposed in this document are intended to guide a series of policies and targets to help us achieve better services for residents, leading to a cleaner, greener Tower Hamlets.

Policies will be implemented through associated action plans which will help us achieve our waste management outcomes. Feedback systems for monitoring, evaluation and review will be put in place to safeguard the integrity of the strategy over its lifespan.



Priority 1 - Leading the way forward

Objective

To properly engage and work with our residents, partners and other stakeholders towards improving environmental outcomes from waste management activities in Tower Hamlets by:

- Demonstrating leadership to influence others through the way we manage our own waste
- Listening to the community through – consultation and engagement
- Improving co-operation with stakeholders and strengthen partnerships
- Supporting education services to promote waste awareness through active learning
- Working more collaboratively with the voluntary and third sector to support co-production models

We know that in order for us to successfully enhance our waste services and increase sustainability across the borough, we have to exemplify, with our own waste, the changes we are asking others to make. We have to balance our leadership and influencing roles as the Local Authority with engagement and collaborative working to achieve the best possible outcomes for all residents, and other stakeholders.



What we're already doing

- Recycling our own waste.
- Sign-posting through our website.
- Working with schools on the importance of recycling and how they can best manage their waste. Providing schools with a free dry recycling and food waste collection service.
- Co-operation with Housing Providers at the Tower Hamlets Housing Forum and Public Realm Sub-group.
- Monitor residents' satisfaction of our waste, recycling and cleansing services through our annual Tower Hamlets Resident's Survey.

What we intend to do

- Gain a better understanding of the waste we produce as an organisation in order that we can take action to achieve an overall reduction of waste generated and increase quantities that are re-used and recycled
- Encourage all staff to become waste and recycling ambassadors, advocating the philosophy of achieving more sustainable waste management and supporting the aim of delivering an overall reduction in our waste and recovering more waste for re-use and recycling.
- Establish a network of resident champions to support the Council in engaging with their local community and promoting services.
- Work to strengthen and leverage our community partnerships with landlords, the Third Sector, volunteers, and businesses by linking to other Council strategies (i.e. Third Sector Strategy).
- Aim to support and direct our stakeholders with clear messaging in order to achieve our waste minimisation, reuse and recycling ambitions, particularly as behaviour change is critical to the success of these activities.
- Pay particular focus on building collaborative partnerships with local housing organisations, Registered Providers, Managing Agents, and landlords in the private rented sector who are key stakeholders in resident engagement and can add value to communications campaigns to reduce waste and boost recycling.
- Continue to work with partners in the education sector to deliver waste awareness and education programmes to drive improvements in waste minimisation and recycling.
- Facilitate a co-ordinated Reuse network in partnership with the Voluntary/Third Sector.
- Looking to phase out the use of single use plastics from within our own buildings and encourage businesses aligned to the Council to do likewise.
- Lobby Government on the need to enhance measures to reduce packaging waste and work with residents (in their role as consumers) to influence retailers to undertake a change of packaging policy.

Priority 2 - Working Together for an Improved Local Environment

Objective

To promote and encourage pride in our local environment by working together with our communities towards reduced waste and increased reuse and recycling by:

- Ensure all residents and businesses in Tower Hamlets have access to appropriate services
- Encouraging and enabling people to do the right thing with their waste
- Ensuring people take responsibility for their waste in order that it is managed more sustainably
- Ensuring waste management activities contribute to maintaining a clean and safe environment
- Improving the quality of our recycling
- Taking corrective action against inappropriate behaviours
- Taking a zero tolerance approach to littering and enviro crime

We want all people living, working, learning in and visiting Tower Hamlets to take pride in our local environment. Driving the necessary improvements to achieve this can't be done by the Council alone. For everyone to do their part, we need to work together to ensure that residents and businesses have access to appropriate services and that everyone knows and understands how to manage their waste in the most appropriate and environmentally sustainable way



What we're already doing

- Delivering visual improvements to public recycling banks.
- Supporting and promoting regional campaigns (e.g. Recycle for London, 'Love Food, Hate Waste'; National Recycle Week).
- Delivering local campaigns to reduce general waste and boost recycling.
- Running 'Big Clean Up' events across Tower Hamlets to engage local residents and partners in maintaining a clean environment and creating a sense of pride for the area.
- Enforcement of environmental crimes where possible, particularly those related to commercial waste, litter and fly tipping.
- Implementing waste improvement project on estates.

What we intend to do

- Use a combination of service design, education, partnership work, and enforcement where appropriate, to encourage changes in perception and action. Increased understanding and awareness of the environment, waste management, and roles and responsibilities are critical
- Provide consistent and standardised waste and recycling capacity across all households – Ensure all households have the appropriate waste containers to enable residents to recycle more of their waste. Addressing multiple collections of residual waste from blocks of flats.
- Consider charging Landlords and Homeowners for over production of residual waste and or extra Collections – Implementation would necessitate all residents to appropriately use the service by segregating and recycling waste and reporting bulky items for collections to avoid charges
- Improving Presentation of waste on collection day – work with registered providers and managing agents to ensure bin accessibility
 - provide support to work towards better management of waste on estates and improve the way waste and recycling is presented for collection
 - provide guidance on roles and responsibilities to ensure all properties have suitable designated areas for waste and recycling bins that are accessible to their tenants and to ensure their tenants know how to use the facilities correctly
- Review options for dealing with contaminated communal recycling bins – Consider options for the collection of contaminated recycling, such as charging for collection to incentivise proper use
 - encourage a more proactive approach to be taken towards reducing levels of contamination in communal recycling
- Introduce a recycling incentive scheme
- Use our powers to enforce against people who continually fail to sort, store and present their waste correctly for collection
- Operate an intelligence led and data driven waste services, using technology and innovation to improve efficiency, target “hotspots” and tackle problem areas.

- Take a zero tolerance approach to graffiti and fly posting – Bring in a new Graffiti and Street Art Policy and invest in graffiti removal.



Priority 3 - Shaping Services to Follow the Waste Hierarchy

Objective

To shape services around the needs of our customers so that they effectively move waste up the Waste Hierarchy and are fit for purpose now, and for the future by:

- Delivering initiatives to drive waste reduction towards zero waste growth (per head)
- Increasing reuse in Tower Hamlets through an expanded network of re-use opportunities
- Continuously improving recycling performance across the London Mayor's minimum level of recycling service targeting increased capture of 6 main materials (glass, cans, paper and cardboard, plastic bottles and mixed plastics) plus food waste
- Providing more residents with access to food waste composting or food waste collections
- Ensuring residual waste treatment maximises the value recovered from waste (resources and energy)
- Continuing to provide reliable and comprehensive collection services to all households

Our waste services need to change so that we can reduce the amount of waste we create in the first place and increase our reuse and recycling. We want to make sure that our services are designed and built around the needs of our customers so that they are fit for purpose, future-proof, and have the lowest environmental impact on our borough as possible. This means we have to follow and make every effort to move waste up the Waste Hierarchy making it easier for people to reduce waste, re-use and recycling more things.



What we're already doing

- Working towards zero waste direct to landfill.
- Extracting recycling from processing street cleansing arising's and bulky and fly-tipped waste.
- Supporting and promoting the national 'Love Food, Hate Waste' campaign.

- Providing residents the opportunity to reuse household items through the Re-use and Recycling Centre.
- Supporting home composting through the provision of compost bins and wormeries at discounted prices to residents.
- Enabling residents to recycle the six main recyclable materials through the weekly kerbside and communal collection schemes.
- Providing a separate weekly food waste collection from low-rise properties.
- Providing small WEEE recycling bins in Idea stores.
- Offering a commercial waste dry recycling collection service.

What we intend to do

- Food Waste Recycling for Flats – Expand food waste recycling to blocks of flats where practicable and cost effective
- Making the dry recycling collections more available to all residents – Ensure the service meets the separate collection requirements and achieves high quality recycling by collecting as a minimum paper, cardboard, plastic bottles, plastic pots tubs and trays, steel and aluminium cans and glass bottles and jars
- Bulky Waste Service -To review the current service and charging policies and explore options to capture as much material as possible for re-use and recycling
- Support expansion of community composting schemes to council, social and private estates and block that want them
- Commercial Waste Service – The development of an improved commercial waste offer that meets the needs of all businesses supports increased commercial recycling and reduction of illegal dumping. Actively promote the dry recycling collection service to commercial premises and look into the feasibility of offering a food waste collection service to them
- Managing the Night Time and Weekend Economy – The delivery of effective waste, recycling and cleansing services in all areas that benefit from the night time and weekend economy
- Provide clear guidance to developers of new properties.
- Provide more residents with access to opportunities for recycling or composting unavoidable food waste
- Continue to roll out “Smart Bins” across the Borough and incorporate recycling into street bins
- Provide more residents with access to opportunities for recycling a range of materials, such as textiles and WEEE.
- Create opportunities that enable residents to donate and access reusable items

TOWER HAMLETS **community**points™

Community Composting Collection Point



Priority 4 – Viewing Waste as a Resource

Objective

To view and manage our waste as a material resource to enhance our sustainability and the circular economy by:

- Seeking ways to encourage design for recycling
- Looking to reduce reliance on single use items
- Helping to develop a local sharing economy
- Supporting extended producer responsibility

We know that waste is the new resource. To increase our sustainability, we want to keep the things we throw away 'alive' in our economy for as long as possible so that we waste less, reuse and recycle more.

The European Union's Circular Economy Package (2015) aims to support the transition away from a linear to a circular economy. An economy where the value of products, materials, and resources is 'kept alive' in the economy for as long as possible. Proposed actions will contribute to **"closing the loop" of product lifecycles through greater recycling and re-use, and bring benefits for both the environment and the economy.**

The transition to a circular economy locally represents an essential contribution towards aims and efforts to develop a sustainable, low carbon, resource efficient, and competitive regional, national, and global economy. The London Environmental Strategy supports circular economy business models in five main areas:

1. Products as a service
2. Sharing economy
3. Prolonging product life
4. Renewable inputs
5. Recovering value at end of life



What we're already doing

- Strategic lobbying and looking for ways to 'close the loop' on materials use through forums such as the LGA, LARAC and NAWDO.
- Delivering repair and reuse events in partnership with third sector organisations.
- Delivering local 'Swap' events.

What we intend to do

- Seek to support national and regional efforts by enabling the prolonging of product life through increased reuse activities, encouraging the use of renewable inputs through recycling for material and compost, and continuing to recover value through the generation of energy from residual waste.
- Support extended producer responsibility and the implementation of 'take back' schemes.
- Lobby and encourage producers of products to extend product life and to design for recycling.
- Seek opportunities to develop and support a local sharing economy.



Priority 5 - Carbon Reduction and Air Quality Improvement

Objective

To contribute to better air quality in Tower Hamlets and London by adhering to the Tower Hamlets Air Quality Action Plan 2017-2022 and reducing net carbon emissions from waste management activities.

- Reducing vehicle movements/distances travelled – route optimisation
- Utilising cleaner fuel technology
- Reducing the overall carbon footprint of our waste management activities (Mayor of London Emissions Performance Standard and Carbon Intensity Floor targets)

We know that poor air quality has a negative impact on health and wellbeing of the people in Tower Hamlets and that reducing the output of pollution through improved use of technology and smarter waste management, we can contribute to a cleaner borough.

There is overwhelming scientific consensus that human activity is causing global climate change, predominantly due to the burning of fossil fuels.

Carbon dioxide (CO₂) is by far the most common greenhouse gas (GHG) generated by human activity in terms of quantity released and total impact on global warming. Carbon and CO₂ have therefore become synonymous with harmful GHGs. The London Mayor's vision for London is that it is to become a zero carbon city by 2050 (LES, obj. 3), with:

- All new cars and vans (less than 3.5 tonnes) being zero emission capable from 2025
- All heavy vehicles (greater than 3.5 tonnes) being fossil fuel-free from 2030
- Zero emission fleets by 2050
- Tighter Carbon Intensity Floor (CIF) and Emissions Performance Standard (EPS) targets



Air pollution is associated with a number of adverse health impacts and particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions.

What we're already doing

- Increasing capture of high-carbon material such as paper and textiles for recycling.

What we intend to do

- Support the delivery of Tower Hamlets Air Quality Action Plan
- Through the re-commissioning of services, ensure all vehicles used for the delivery of waste management services are as low emission as possible moving forward, including the consideration of electric vehicles.
- Utilise round optimisation to reduce vehicle mileage for waste collections.
- Actively seek ways of increasing the procurement of products containing recyclable content as a means of reducing the carbon footprint of the products we use.
- Seek to ensure that municipal waste is managed within the London region wherever appropriate facilities exist to mitigate the impacts of climate change from the transportation of our waste
- Work towards the achievement of the Mayor of London's Carbon Intensity Floor (CIF) and Emissions Performance Standard (EPS) targets



Priority 6 - Adding Social Value

Objective

To provide economic, social and environmental benefits to the community through our waste management activities.

- Increase access for local people to gain employment in the delivery of the Council's waste services
- Ensure the delivery of the Council's waste services provides apprenticeship opportunities for local people
- Ensure our waste services provide work experience opportunities for local young people
- Ensure the Council's waste services support local businesses and the local supply chain

We want to ensure that our waste management services and activities provide improved outcomes which add social value to our communities. Generating quality social value outcomes in the form of local opportunities will benefit our residents and business community. Adding social value will mean encouraging economic regeneration, supporting the local supply chain, local job creation through work experience and apprenticeships, supporting volunteering activities and support for local schools and organisations.

What we're already doing

- Securing Community Benefits through purchasing and procurement by requiring contractors to:
 - Engage local supply chain wherever possible
 - Seek to employ locally as a first option
 - Provide local work experience opportunities
 - Offer paid apprenticeships or



- volunteering opportunities
- Support and attend job fairs
- Apply Corporate social responsibility work locally (i.e. working with local schools)

What we intend to do

- Incorporate the Council's Social Value Framework into any contracts for the delivery of waste services
- Encourage our service delivery agents to look locally for their supply chain needs and provide opportunities for networking
- Foster working relationships between our service delivery agents and local educational establishments
- Supporting the voluntary sector
- Signpost our service delivery agents to local community groups and volunteering activities

What is next?

We would like to hear your views on this draft strategy. You can let us know what you think by going to **INSERT WEB PAGE LINK** and taking part in our online survey. If you cannot access the internet then paper surveys are available for you to pick up at council offices and Idea Stores

The consultation will run from 2 July to 30 September 2018. The Mayor and Councillors will consider the feedback that we receive on the strategy in October 2018 with a final strategy being produced in October 2018. Detailed Action Plans for each service will be developed to support the delivery of the strategy along with relevant equalities impact assessments which will consider the protected characteristic.

We want to give residents the opportunity to get involved and have their say when it comes to improving the local environment

Public Consultation

Events across the borough to engage residents

Dedicated webpage

Social media

Publications
Newsletters

Leaflets
Questionnaires

18

The graphic features a background image of a busy public space, possibly a library or community center, with people engaged in various activities. Overlaid on this are several green circular callouts containing text and icons: a thumbs-up icon, a smartphone, a document, and a pencil. A small number '18' is visible in the bottom left corner of the image area.




Glossary

We have used a number of terms to describe our approach to waste management within our strategy.

Term	Meaning
Bulky waste service	A service helps residents who are unable to transport bulky items, such as fridges and mattresses to the reuse and recycling centre.
Clinical waste service	A service for households in Tower Hamlets that have medical treatment at home and need to dispose of items such as dressings and syringes. The collection and disposal of clinical waste is subject to special rules.
Collection services	A general term to refer to all of the services that we provide to collect waste and recycling.
Collections for flats	We provide communal waste and mixed recycling containers for flatted residents to share.
Collections for houses	Each household can use individual containers for their residual waste, mixed recycling, food and garden waste which are collected from the curb-side.
Co-mingled materials	A co-mingled collection scheme is one where more than one type of dry recyclable material is processed as a Materials Recycling Facility.
Commercial waste	Waste arising from premises which are used wholly or mainly for trade, business, sport, recreation or entertainment, excluding municipal and industrial waste.
Composting	A biological process in which organic wastes, such as garden and kitchen waste, are converted into a material which can be used to enrich the nutrient content of the soil.
Contamination	Materials that are put into the mixed recycling, food waste or garden waste containers that cannot be processed through that service.
Disposal	Residual waste disposal is when waste is sent to a landfill site or energy from waste facility.
Energy from waste facility	Residual waste is sent to a specialised facility where it is burnt in order to generate electricity.
EU Directive	A type of law which is issued by the European Union (EU) which all EU countries have to include in their own legal systems.
Fly-tipping	The unauthorised dumping of waste on a site that does not have a licence to accept waste (e.g. a road or pavement). Fly-tipping is illegal; people caught fly-tipping can be fined or prosecuted.

Hazardous waste	Wastes such as old chemicals and asbestos that cannot be safely managed through the normal waste collection service.
Household Waste	Waste from household collections, street sweeping, bulky waste collections, hazardous and clinical household waste collections, litter collections, separate garden waste collections, waste from recycling centres for household waste and waste collected separately for recycling/composting schemes.
Household recycling rate	The percentage of household waste (as described above) that gets sorted and sent on to be made into new products.
Landfill / Landfill Sites	A waste disposal site for the deposit of the waste onto or into land.
Materials Recovery Facility	A facility at which components of our co-mingled dry recyclables are extracted by the use of mechanical separation methods.
Municipal waste	All the waste and recycling that the council collects. This includes household waste as well as waste and recycling collected from parks, businesses, schools and clearance of fly-tips.
Recycling services	The services that we provide to help residents to recycle. This includes mixed recycling service for houses and flats, food and garden waste collections, and public recycling sites.
Residual waste service	Our residual waste service collects waste that is not separated out for recycling or composting, for example black bag waste.
Reuse	Items such as furniture, clothes, kitchen appliances can often be used a number of times, prolonging the life of the product.
Waste	Any materials thrown away, that we handle including residual waste, mixed recycling, food waste, garden waste and bulky waste.

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<p>Cabinet</p> <p>27 June 2018</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Acting Corporate Director, Place</p>	<p>Classification: Unrestricted</p>
<p>Isle of Dogs Neighbourhood Plan Examiner's Report and Council's Response (Regulation 25)</p>	

Lead Member	Cllr Rachel Blake, Deputy Mayor for Regeneration and Air Quality
Originating Officer(s)	Ellie Kuper Thomas, Principal Planning Officer and Marissa Ryan-Hernandez, Plan Making Team Leader
Wards affected	Island Gardens Canary Wharf Blackwall and Cubitt Town
Key Decision?	Yes
Forward Plan Notice Published	15 June 2018
Reason for Key Decision	Significant Impact on Two or More Wards
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. The Council has a statutory duty to assist communities in the preparation of NDPs and NDOs and to take plans through a process of examination and referendum.

The Isle of Dogs Neighbourhood Plan has been the subject of an independent examination process including a public hearing. On Thursday 7th June 2018, the Council and Forum received the final Examiner's Report on the Isle of Dogs Neighbourhood Plan (appendix 1). The Isle of Dogs Neighbourhood Plan Examiner has recommended that the proposed neighbourhood plan (NDP) is refused and should not proceed to referendum.

The Town and Country Planning Act 1990 (as amended) requires the Council to now make a decision with regards to the Examiner's recommendations and come to a conclusion as to whether the draft neighbourhood plan meets the basic conditions and legal requirements, or could meet the basic conditions and legal requirements, if modifications were made to the draft Plan.

The Examiner's recommendations have been considered and it is officers' view that

the Council should agree with the Inspector's recommendation that the NDP does not meet the basic conditions, and that due to the fundamental flaw identified by the Examiner and the cumulative nature of the policy drafting concerns he has raised, the NDP cannot be modified to meet the basic conditions and so should be refused and not proceed to referendum.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Isle of Dogs Neighbourhood Development Plan Report of Examination (Appendix 1) and the Examiner's recommendation that the draft Neighbourhood Plan does not meet the basic conditions stipulated by legislation and therefore should be refused and cannot proceed to referendum.
2. Agree with the Examiner's recommendations and therefore that the plan proposal be refused and not proceed to referendum.
3. Note that the Council will continue to provide support to the Isle of Dogs Neighbourhood Forum as they consider their next steps.
4. Note the specific equalities considerations as set out in section 8.

1. REASONS FOR THE DECISIONS

- 1.1 The Isle of Dogs Neighbourhood Plan has been the subject of an independent examination process including a public hearing. Following receipt of an Examiner's report on the 7th of June 2018 the Council is required to consider the recommendations in the report and decide what action to take in relation to each. The Council must also come to a decision regarding whether the draft neighbourhood plan meets the basic conditions and legal requirements or could meet the basic conditions and legal requirements, if modifications were made to the draft Plan (whether or not recommended by the Examiner). If the Council decides that the Plan does or could, following modification, meet the basic conditions and legal requirements, the Plan must be taken to referendum. This decision must be made within 5 weeks of the receipt of the Examiner's report.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is not bound by the Examiner's recommendations and is able to make a decision which differs from that recommended by the Examiner.
- 2.2 As outlined above, the Council is required by the legislation to make its own decision regarding whether the draft neighbourhood plan meets or could meet, following modification, the basic conditions and legal requirements.
- 2.3 While the Council is not bound by the Inspector's recommendations a failure to accept them without good reason runs the risk of legal challenge and/or

intervention by the Minister for Housing, Communities and Local Government.

Deciding the Plan meets the basic conditions and legal requirements

- 2.4 The Council could therefore decide the neighbourhood plan meets the basic conditions and legal requirements.
- 2.5 It is not considered that this is an alternative available to the Council as officers consider that the draft Isle of Dogs Neighbourhood Plan, as drafted, does not meet the basic conditions and legal requirements for reasons we provided in our consultation responses to the draft Plan and at the hearing during the examination.

Making modifications to the Plan to meet the basic conditions and legal requirements

- 2.6 The Council could also seek to make modifications to the draft Plan, so that it could meet the basic conditions and legal requirements.
- 2.7 It is not considered that this is a suitable alternative as officers agree that the fundamental flaw identified by the Examiner and the cumulative nature of the policy drafting concerns he has raised, mean that the NDP cannot be modified sufficiently to meet the basic conditions.

3. DETAILS OF THE REPORT

- 3.1 This report provides an assessment of the Isle of Dogs Neighbourhood Plan Examiner's Report recommendations and the Council's considerations of whether the Plan meets, or could meet following modification, the basic conditions and legal requirements.
- 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;
 - Section 6: provides a background to the Isle of Dogs Neighbourhood Plan Examination; and
 - Section 7: details the Council's assessment of the Isle of Dogs Neighbourhood Plan Examiner's Report and whether the Plan meets, or could meet following modification, the basic conditions and legal requirements.

4. INTRODUCTION TO NEIGHBOURHOOD PLANNING: A COMMUNITY LED PROCESS

- 4.1 The Localism Act 2011 amended the Town and Country Planning Act (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 Council on application as a neighbourhood area. Neighbourhood planning powers may only be exercised by bodies authorised by the legislation.
- 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.
- 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' 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 Council 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.

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 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 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 consideration by the local authority of the recommendations made by the Examiner and the draft Neighbourhood Plan.

Consideration by authority of recommendations made by examiner

- 1.1 The Town and Country Planning Act 1990 (TCPA 1990) Schedule 4B paragraph 12 states that where an examiner has made a report under paragraph 10 TCPA 1990 Schedule 4B, the Council must:
- (a) consider each of the recommendations made by the report (and the reasons for them), and
 - (b) decide what action to take in response to each recommendation.
- (3) The authority must also consider such other matters as may be prescribed.
- (4) If the authority are satisfied—
- (a) that the draft order meets the basic conditions mentioned in paragraph 8(2), is compatible with the Convention rights and complies with the provision made by or under sections 61E(2), 61J and 61L, or
 - (b) that the draft order would meet those conditions, be compatible with those rights and comply with that provision if modifications were made to the draft order (whether or not recommended by the examiner),

a referendum in accordance with paragraph 14, and (if applicable) an additional referendum in accordance with paragraph 15, must be held on the making by the authority of a neighbourhood development order.

(5) The order on which the referendum is (or referendums are) to be held is the draft order subject to such modifications (if any) as the authority consider appropriate.

(6) The only modifications that the authority may make are—

- (a) modifications that the authority consider need to be made to secure that the draft order meets the basic conditions mentioned in paragraph 8(2),
- (b) modifications that the authority consider need to be made to secure that the draft order is compatible with the Convention rights,
- (c) modifications that the authority consider need to be made to secure that the draft order complies with the provision made by or under sections 61E(2), 61J and 61L,
- (d) modifications specifying a period under section 61L(2)(b) or (5), and
- (e) modifications for the purpose of correcting errors.

(10) In any case where the authority are not satisfied as mentioned in subparagraph (4), they must refuse the proposal.

(11) The authority must publish in such manner as may be prescribed—

- (a) the decisions they make under this paragraph,
- (b) their reasons for making those decisions, and
- (c) such other matters relating to those decisions as may be prescribed.

(12) The authority must send a copy of the matters required to be published to—

- (a) the qualifying body, and
- (b) such other persons as may be prescribed.

- 1.2 TCPA 1990 Schedule 4B paragraph 13 states that If the local planning authority propose to make a decision which differs from that recommended by the examiner, and the reason for the difference is (wholly or partly) as a result of new evidence or a new fact or a different view taken by the authority as to a particular fact, the authority must notify prescribed persons of their proposed decision (and the reason for it) and invite representations. If the authority considers it appropriate to do so, they may refer the issue to independent examination.

Considering the draft Neighbourhood Plan

- 1.3 The Independent Examiner and the Council, once it has received the Examiner's Report, must consider whether making the plan meets the basic conditions and complies with certain legal requirements. These are outlined below.

- 1.4 The Basic Conditions (as outlined in paragraph 8(2) of Schedule 4B to the TCPA 1990 [as amended]), are:
- (a) having regard to national policies and advice contained in guidance issued by the Secretary of State, it is appropriate to make [the Plan],
 - (b) having 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, it is appropriate to make [the Plan],,
 - (c) having special regard to the desirability of preserving or enhancing the character or appearance of any conservation area, it is appropriate to make [the Plan],,
 - (d) the making of [the Plan] contributes to the achievement of sustainable development,
 - (e) the making of [the Plan] is in general conformity with the strategic policies contained in the development plan for the area of the authority (or any part of that area),
 - (f) the making of [the Plan] does not breach, and is otherwise compatible with, EU obligations, and
 - (g) prescribed conditions are met in relation to [the Plan] and prescribed matters have been complied with in connection with the proposal for [the Plan].
- 1.5 Only one further Basic Condition has been prescribed under paragraph 8(2)(g), as follows: “The making of the Neighbourhood Development Plan is not likely to have a significant effect on a European site...or a European Off-Shore Marine site...(either alone or in combination with other plans or projects)”.
- 1.6 The legal requirements [provisions] (as made by or under sections 38A and 38B of the Planning and Compulsory Purchase Act 2004) are:
- i) it has been prepared and submitted for examination by a qualifying body, for an area that has been properly designated by the local planning authority;
 - ii) it sets out policies in relation to the development and use of land;
 - iii) it specifies the period during which it has effect;
 - iv) it does not include provisions and policies for ‘excluded development’;
 - v) it is the only neighbourhood plan for the area and does not relate to land outside the designated neighbourhood area;

2 BACKGROUND TO THE ISLE OF DOGS NEIGHBOURHOOD PLAN

- 2.1 This section outlines the key statutory stages in the production of the draft Isle of Dogs Neighbourhood Plan.

- 2.2 The Isle of Dogs Neighbourhood Area and Neighbourhood Forum were designated by Tower Hamlets Council in Cabinet on 5th April 2016, with the decision notice published on the 19th April 2016.
- 2.3 Following the development of the draft Isle of Dogs Neighbourhood Plan, the Isle of Dogs Neighbourhood Forum ran a public consultation from 8th March 2017 to 19th April 2017, as required by Regulation 14 of the Neighbourhood Planning (General) Regulations 2012. It is noted that 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.
- 2.4 The Isle of Dogs Neighbourhood Forum submitted the draft Neighbourhood Plan and accompanying documents to the London Borough of Tower Hamlets on the 25th October 2017, in accordance with Regulation 15 of the Neighbourhood Planning (General) Regulations 2012. Following an initial review by the Council, 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.
- 2.5 On the 19th December 2017, Cabinet agreed that the submission of the draft Isle of Dogs Neighbourhood Plan under Regulation 15 of the Neighbourhood Planning (General) Regulations 2012 met the statutory requirements set out in paragraph 6 of Schedule 4B of the TCPA 1990 and therefore should be publicised under Regulation 16 of the Neighbourhood Planning (General) Regulations 2012 and taken forward to Examination. It was also agreed in Cabinet 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 TCPA 1990 (as amended).
- 2.6 It was noted in the Cabinet report that this decision was only to consider the draft plan against the statutory requirements set out in paragraph 6 of Schedule 4B of the TCPA 1990. In particular, the Council had 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 Council comes to its formal view on whether the draft NDP meets the basic conditions (Planning Practice Guidance Neighbourhood Planning Paragraph 53).
- 2.7 As required by regulation 16 of the Neighbourhood Planning (General) Regulations 2012, the second consultation, run by the Council, was held from 11th January 2018 to 22nd February 2018.
- 2.8 In March 2018, the Council, with the consent of the Isle of Dogs Neighbourhood Forum appointed John Parmiter FRICS FRSA MRTPI as the Independent Examiner. He commenced his examination on the 9th April 2018. As outlined in the Examiner's report (appendix 1), 'the default position is that neighbourhood plan examinations are conducted by written representations. However, in this case I decided that there were a number of issues that warranted clarification and/or oral evidence at a public hearing'. The public hearing was held on the 10th May 2018. The final examiner's report was

received by the Council and Forum on the 7th June 2018 and published on the Council's website on the 11th of June 2018.

3 CONSIDERATION OF THE ISLE OF DOGS NEIGHBOURHOOD PLAN EXAMINER'S REPORT AND ASSESSMENT

3.1 Paragraph 10 of the TCPA 1990 requires the Examiner to make one of the following recommendations:

- i) that the draft plan is submitted to a referendum, or
- ii) that modifications specified in the report are made to the draft plan and that the draft order as modified is submitted to a referendum, or
- iii) that the proposal for the plan is refused.

3.2 The Isle of Dogs Neighbourhood Plan Examiner has recommended that the proposed neighbourhood plan (NDP) is refused and should not proceed to referendum.

Basic Conditions

3.3 The summary on page 3 of the Examiner's report (appendix 1) states that the Examiner has concluded that the NDP 'does not meet the Basic Conditions'. Later in the report, the Examiner states that he does not consider the NDP to breach or be incompatible with the European Convention on Human Rights or other EU obligations (basic conditions (f) and (g)) (paragraph 2.6) and that the NDP is in general conformity with the strategic policies of the development plan (basic condition (d)) and seeks to promote sustainable development (basic condition (e)) (paragraph 3.5). The Examiner does not reference basic conditions (b) and (c). It is therefore understood that the Examiner considers the NDP fails to meet the basic condition that it would be appropriate to make the NDP, having regard to national policies and advice contained in guidance by the Secretary of State (basic condition (a)).

3.4 In addition to the summary on page 3, the basis for the Examiner's conclusion that the NDP fails to meet basic condition (a), is outlined in paragraphs 4.1, 4.15, 16.1 and 16.2 of the Examiner's report. The Examiner's reasons can be summarised as relating to two main concerns: Evidence and Policy Drafting.

Evidence

3.5 The infrastructure evidence and in particular the Development Infrastructure Funding Study, produced by the GLA and published on the 9th May 2018 (the evening before the public hearing), was the subject of a detailed discussion at the public hearing and in subsequent exchanges with the Examiner. This is outlined in detail in paragraphs 4.2 – 4.9 in the Examiner's report.

3.6 The Examiner concludes in paragraph 4.10 that 'the infrastructure evidence is simply not robust or proportionate to support a key policy in the plan, has not been consulted on (nor could have been) and so the plan, and Policy D1 in particular, cannot in my view, meet the Basic Conditions'. This he considers to

be a 'fundamental flaw' in the NDP. The Examiner also raises concerns that there is insufficient evidence to support policies ES1 (paragraph 8.2) and 3D2 (paragraph 10.3).

- 3.7 In this regard the Examiner considers that the NDP does not have sufficient regard to paragraph 040 of the Neighbourhood Planning guidance, which requires 'proportionate robust evidence...[to] support the choices made and the approach taken'.

Policy Drafting

- 3.8 The Examiner raises a number of concerns with the drafting of all of the proposed policies, which he considers would require addressing through modifications to the policies, in order to meet basic condition (a).
- 3.9 In light of the Examiner's recommendation for the plan to be refused and not proceed to referendum, he does not recommend specific policy drafting modifications, however as he notes in paragraph 4.16, he recognises providing 'indication[s]' of this conclusions could be helpful if the Forum wish to take forward their ' "long" plan'.
- 3.10 He raises two general concerns: the first regarding the scale of development the policies apply to and the second the role for the Forum specified in many of the policies (see paragraphs 4.17 and 4.19).
- 3.11 He also raises policy specific concerns. In particular he states policy D1 would need to be revised to meet basic condition (a). In particular to 'meet the requirements of para 173 of the [National Planning Policy] Framework and the CIL Regs (122)' (paragraph 5.3) and that policies ES1 and AQ1 would require significant revisions to meet basic condition (a) (see paragraphs 8.2 and 14.2). Other policies (CC1 – 3 and SD1) would require some revisions to meet basic condition (a) (see paragraphs 12.2 to 13.2).

Council's Assessment

- 3.12 The Council agrees with the Examiner's assessment that the NDP does not breach nor is incompatible with the European Convention on Human Rights or other EU obligations (basic conditions (f) and (g)) and that the NDP is in general conformity with the strategic policies of the development plan (basic condition (d)). The Council agrees that basic conditions (b) and (c) are not considered applicable to the contents of the NDP.
- 3.13 The Council however, maintains its concern regarding whether the NDP seeks to promote sustainable development (basic condition (e)), in particular in relation to policy D1. This was raised by the Council in its representations to both the regulation 14 and regulation 16 consultations on the draft NDP. The Examiner's report (paragraph 5.3) states 'the way the first part [of D1] is framed it would be interpreted as an embargo until a range of factors, likely to be outside the control of the developer are resolved'. The Council considers that a policy which acts as an embargo on development does not seek to

promote sustainable development, as defined by the National Planning Policy Framework.

- 3.14 The Council agrees with the Examiner's assessment that there is insufficiently robust and proportionate evidence to support the NDP and that all the policies require modification in order to meet basic condition (a). The Council raised a number of policy drafting concerns and modification recommendations related to the basic conditions in its representations to both the regulation 14 and regulation 16 consultations on the draft NDP, many of which have been reflected in the Examiner's report.

Legal Compliance

- 3.15 The summary on page 3 also states that the NDP could, subject to certain modifications, meet the legal requirement for the policies to relate to the development and use of land (legal requirement (ii)). Paragraphs 2.9 and 4.14 clarify that these modifications would be for a number of the policies to be deleted or removed to an annex, these being CIL1-4, ER1-8, GR1, 3D1-2 and BBA1 – 3. The Examiner considers that these policies do not sufficiently relate to the development and use of land and instead constitute 'Community Actions' (paragraph 2.9) and should, in accordance with paragraph 041 of the Neighbourhood Planning guidance, not be included in the body of the NDP.

Council's Assessment

- 3.16 The Council agrees with the Examiner's conclusions regarding the need for policies CIL1-4, ER1-8, GR1, 3D2 and BBA2 – 3 to be deleted or removed to an annex in order for the DP to meet the legal requirements. This was the Council's view on these policies raised by the Council in its representations to both the regulation 14 and regulation 16 consultations on the draft NDP.
- 3.17 The Council however, as indicated in its representations to both the regulation 14 and regulation 16 consultations on the draft NDP, does still consider that 3D2 and BBA1 could be legally compliant, land use, development management policies if suitably modified and evidenced. It is considered that the Examiner allows for this possibility in relation to 3D2 in paragraph 10.3.

Conclusion

- 3.18 The Council is in broad agreement with the Examiner's conclusions in relation to the basic conditions and legal compliance in respect of each of the policies and the NDP as a whole and therefore with his recommendation that the plan should not proceed to referendum.
- 3.19 The Examiner is clear that he considers the lack of robust and proportionate evidence to support the plan is a 'fundamental flaw' and has made suggestions for all policies in the Plan to be modified (many of them substantially) and/or deleted or moved to an annex.
- 3.20 It is considered that due to the fundamental flaw identified by the Examiner and the cumulative nature of the policy drafting concerns he has raised, it

would not be possible to overcome these issues through modifications to the NDP and therefore the NDP must be refused and cannot proceed to referendum.

- 3.21 The Council will continue to provide support to the Isle of Dogs Neighbourhood Forum as they consider their next steps.

4 EQUALITIES IMPLICATIONS

- 4.1 It is not considered that this report will have any equalities implications. This report seeks Cabinet's agreement to refuse the progression of the Isle of Dogs Neighbourhood Plan to referendum. As such no new policy or proposal will be implemented as a result of this change, and therefore an equalities analysis is not required.
- 4.2 It should be noted that the NDP, when submitted to the Council in October 2017 was accompanied by a Basic Conditions Statement, which included an assessment of whether the Plan is compatible with the Human Rights Act and other relevant National and European obligations. In discussion with the Council the Neighbourhood Forum also undertook an Equalities Impact Assessment of the draft Isle of Dogs Neighbourhood Plan. This was included in the Basic Conditions Statement.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
- 5.2 The Council is required by legislation to pay for the costs of the Examination (primarily the costs of the Examiner). This hourly rate is the same for all Examiners. In order to manage the costs a time estimate was included in the contract, requiring any greater costs to be agreed with the Council. No further costs were required.
- 5.3 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 assessment deemed that neither a SEA nor a HRA was required.

- 5.4 The primary risk relating to this decision would arise from a failure to make a decision within the statutory timeframe of 5 weeks of receipt of the Examiner's report. If a decision is not made within this timeframe the Secretary of State has the power to intervene. A further risk could arise if the Council did not follow the Examiner's recommendations. This is because, whilst the Council is not bound by the Inspector's recommendations, a failure to accept them without good reason runs the risk of legal challenge and/or intervention by the Minister for Housing, Communities and Local Government.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report provides an update for the Mayor in Cabinet on the recent public examination of the Isle of Dogs Neighbourhood Development Plan, and in accordance with the examiner's recommendations seeks confirmation that the plan proposal should be refused and not proceed to a referendum.
- 6.2 The Council has a duty to provide support and advice to Area Forums and this will continue while the options available to the Isle of Dogs Neighbourhood Forum are considered. The additional administration costs, including the expenditure that has already been incurred in undertaking the public consultation process and the examination of the Neighbourhood Plan, are being met from within existing budgets. Funding has historically been made available by the MHCLG 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.

7 COMMENTS OF LEGAL SERVICES

- 7.1 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), and the subsequent 2012 Regulations confer specific functions on an LPA in relation to neighbourhood planning.
- 11.2 Together this legislation sets out the examination process of a NDP, and the steps the Council must take following independent examination and receipt of the report of the examiner. These requirements (primarily set out in Regulations 17A to 19 of the 2012 Regulations and paragraphs 7 to 13 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.

- 11.3 In accordance with the requirement under paragraph 12 of Schedule 4B of the TCPA 1990, officers have demonstrated at section 7 of this report that they have had proper regard to the conclusions reached by the Isle of Dogs Neighbourhood Plan Examiner. Through their analysis, officers have decided to follow the recommendation by the Examiner and recommend to the Mayor in Cabinet that the plan proposal be refused and not proceed to referendum. It is noted that under Regulation 17A of the 2012 Regulations the Council has 5 weeks from the date they receive the report of the Examiner to decide what action to take in respect of their recommendations. Officers confirm at paragraph 1.1 of this report that the Examiner's report was received on 7 June 2018. If a decision is not reached within the timeframe then the Secretary of State may intervene and exercise the functions of the Council in its decision whether or not to accept the recommendations of the Examiner.
- 11.4 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 statutory requirements and should proceed to referendum is not a specified function. This is therefore a decision for the Executive.
- 11.5 If the Isle of Dogs Neighbourhood Plan is refused the Council is required under paragraph 12(10) of Schedule 4B of the TCPA 1990 to publish this decision, their reasons for making this decision and such other matters relating to that decision as may be prescribed under the legislation. The Council must send a copy of the matters to be published to the Isle of Dogs Neighbourhood Forum and any other relevant persons.
- 11.6 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.
- 11.7 The Isle of Dogs Neighbourhood Forum undertook an Equalities Impact Assessment of the draft NDP, when it was first submitted to the Council, which was reviewed by officers and an Equality Analysis Quality Assurance Checklist completed, which concluded that no further action was recommended at that stage. However, as this report recommends the refusal of the NDP there should be no change in policy and as such, an equalities analysis is not required.
-

Linked Reports, Appendices and Background Documents

Linked Reports

- 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
- Neighbourhood Planning: Isle of Dogs Neighbourhood Plan - 2017 to 2031 - Legal Compliance and Examination Stage report to Cabinet on 19th December 2017

Appendices

- Appendix 1- Isle of Dogs Neighbourhood Development Plan Report of Examination

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

- None

Officer contact details for documents:

N/A

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Isle of Dogs Neighbourhood Development Plan

Report of Examination

Report to London Borough of Tower Hamlets

by the Independent Examiner:

John Parmiter FRICS FRSA MRTPI



7 June 2018

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Summary

1. From my examination of the submitted Isle of Dogs Neighbourhood Development Plan and the supporting documents, including all the representations made, I have concluded that the Neighbourhood Development Plan should not be made.
2. I have concluded that the plan does not meet the Basic Conditions. In summary, the Basic Conditions are that it must:
 - Be appropriate to make the plan, having regard to national policies and advice;
 - Contribute to the achievement of sustainable development;
 - Be in general conformity with the strategic policies of the development plan; and
 - Not breach, and be otherwise compatible with, European Union and European Convention on Human Rights obligations.
3. I have concluded that, subject to certain modifications, the plan would meet the legal requirements in that:
 - It has been prepared and submitted for examination by a qualifying body – the Isle of Dogs Neighbourhood Forum;
 - It has been prepared for an area properly designated;
 - It does not cover more than one neighbourhood plan area;
 - It does not relate to “excluded development”;
 - It specifies the period to which it has effect – to 2031; and
 - The policies – subject to the removal of those which do not so qualify - would relate to the development and use of land for a designated neighbourhood area.
4. Overall, I have concluded that the Neighbourhood Development Plan should not proceed to Referendum but that if it did, the Referendum Area should be the same as the designated neighbourhood area.

1. Introduction

- 1.1 I am appointed by the London Borough of Tower Hamlets, with the support of the Isle of Dogs Neighbourhood Planning Forum, the Qualifying Body, to undertake an independent examination of the Isle of Dogs Neighbourhood Development Plan, as submitted for examination.
- 1.2 I am an independent planning and development professional of 40 years standing and a member of NPIERS' Panel of Independent Examiners. I am independent of any local connections and have no conflicts of interests.

The Scope of the Examination

- 1.3 It is the role of the Independent Examiner to consider whether making the plan meets the "Basic Conditions." These are that in making the Neighbourhood Plan it must:
- be appropriate to do so, having regard to national policies and advice contained in guidance issued by the Secretary of State;
 - contribute to the achievement of sustainable development;
 - be in general conformity with the strategic policies of the development plan for the area; and
 - not breach, and must otherwise be compatible with, European Union (EU) and European Convention on Human Rights (ECHR) obligations.
- 1.4 Regulations also require that the Neighbourhood Plan should not be likely to have a significant effect on a European Site or a European Offshore Marine Site either alone or in combination with other plans or projects.
- 1.5 In examining the Plan I am also required to establish if the plan complies with certain legal requirements; in summary they are whether it:
- Has been prepared and submitted for examination by a qualifying body;
 - Has been prepared for an area that has been properly designated;
 - Meets the requirements that they must not include excluded development;
 - Relates to more than one Neighbourhood Area; and
 - Relates to the development and use of land.
- 1.6 Finally, as independent Examiner, I must make one of the following recommendations in relation to the Plan proceeding to a Referendum:
- a) that it should proceed to Referendum, on the basis that it meets all legal requirements; or
 - b) that once modified to meet all relevant legal requirements it should proceed to Referendum; or
 - c) that it should not proceed to Referendum, on the basis that it does not meet the relevant legal requirements.
- 1.7 Second, if recommending that the Plan should go forward to Referendum, I am also

then required to consider whether or not the Referendum Area should extend beyond the Neighbourhood Designated Area to which the Plan relates.

The Examination process

1.8 I was formally appointed to examine the plan on 9th April 2018 (though I had been briefed in March). The default position is that neighbourhood plan examinations are conducted by written representations. However, in this case I decided that there were a number of issues that warranted clarification and/or oral evidence at a public hearing. I duly held a public hearing on 10th May and carried out an unaccompanied site visit in the period before that. The agenda for the hearing covered the following topics:

- Development Plan and the significance of the emerging plans
- Infrastructure evidence
- CIL and Estate regeneration – and whether the policies could be considered to be concerned with the use and development of land
- Referendum Area

The Examination documents

1.9 In addition to the legal and national policy framework and guidance (principally The Town and Country Planning Acts, Localism Act, Planning and Compulsory Purchase Act, Neighbourhood Planning Act and Regulations, the National Planning Policy Framework, Written Ministerial Statements and the Planning Practice Guidance) together with the development plan, the relevant documents that were furnished to me - and were identified on the Council's websites as the neighbourhood plan and its supporting documentation for examination - were:

- Draft Isle of Dogs Neighbourhood Plan;
- Basic Conditions Statement;
- Consultation Statement;
- Consultation Statement appendices;
- Environmental Assessment – Determination Letter and Statement of Reasons; and
- Responses received under Regulation 16 (referred to later).

1.10 At the public hearing a number of additional documents were made available to me. I refer to these later in my report.

The Qualifying Body and the Designated Area

1.11 The Isle of Dogs Neighbourhood Planning Forum is the Qualifying Body for the designated area that is the neighbourhood plan area. The Executive Mayor of the London Borough of Tower Hamlets (LBTH), on behalf of the local authority, designated the Neighbourhood Area in April 2016. This is a smaller area than the Forum originally applied for and is not matched to a ward or other boundary used for data collection; in relation to the examination this had implications for evidence that was collected or only available on the original boundary; and may have been an issue in determining the appropriate referendum area – see later. There is no other neighbourhood plan for this area.

The Neighbourhood Plan Area

- 1.12 The plan area is the southern section of the Isle of Dogs, which occupies a loop in the River Thames in Tower Hamlets; it largely comprises former docks, new and established communities, as well as areas regenerated by the London Docklands Development Corporation (LLDC); significant areas of open water remain. The Isle of Dogs has had a history of relative isolation and then dereliction following the closure of the docks but in recent times has seen significant levels of development, mainly focused in and around Canary Wharf – which lies just to the north of the plan area – and is now the fastest growing place in the UK. It is also home to some of the tallest residential buildings in Europe.
- 1.13 The Isle of Dogs is a real island, with the Thames on three sides and water bodies (former docks) at the northern border. There are very limited surface crossing points linking the plan area with the rest of London. This, together with the constrained geography of the Isle, limits movement. Public transport includes DLR, underground, river bus and surface bus services. However, accessibility is patchy; some areas are very good, with very high PTAL ratings; much of the designated area is rated with a PTAL of 2 or 3.
- 1.14 The Isle of Dogs is expected to grow very significantly over the plan period. The GLA Ward Atlas population forecasts estimate that from a 2011 Census base of 40,800 residents the population could reach 79,900 by 2028, three years short of the plan period. House prices are high by UK standards with average sales at £448,444 (2016 prices) and mostly flats (the London average was £501,279).
- 1.15 The demographic composition – using Island Gardens Ward as a proxy - indicates an age profile similar to the Borough's, with a higher proportion of White and Other ethnicities, higher proportion of owner-occupiers (and a lower percentage of social renters) and a higher proportion in employment (with higher qualification levels) than the Borough as a whole.
- 1.16 The plan area contains a range of social and leisure facilities, much of it delivered by the LLDC (which ceased in 1997). The facilities on the Island include sailing and water sports and youth facilities; schools were built, as well as medical centers, some public spaces and there was investment in transport. The extent to which investment can be secured to keep pace with the recent and anticipated growth in the area is a central theme of the plan.

2. Neighbourhood Plan preparation and public consultation

The Neighbourhood Development Plan

- 2.1 The plan is in 11 sections. After two introductory/historical chapters, section 3 sets out the problems the plan seeks to solve. These are concerned with grasping the scale of growth that is anticipated in the area, the impact on this in terms of densification, construction disruption, affordability and quality of life. The next three chapters are concerned with the planning context, the need for a “quick” plan and local forums.
- 2.2 Section 7 sets out the plan's vision, developed around an overall theme of: “A liveable environment in which our diverse community can work, rest and play.” This section explains a core aim of the plan: “... the need for proposed developments that exceed the London Plan's maximum recommended density to only be permitted after

all the infrastructure and services needed to support them and all other developments nearby have been specifically identified and guaranteed.” The chapter then outlines the plan’s multiple objectives (listed a to t).

- 2.3 Section 8 is the heart of the plan – setting out nine main policies. It also concludes with a set of Recommendations – essentially Community advocacy.
- 2.4 The remaining chapters are concerned with explaining the local community’s desire to prepare a much more detailed plan – the “long” plan, this being the “quick” plan – and how a Parish or Town Council for the Isle of Dogs might pursue the longer term objectives of the community; and next steps.

Strategic Environmental Assessment and Appropriate Assessment Screening

- 2.5 Under Article 3(3) and 3(4) of the Strategic Environmental Assessment (SEA) Directive 2001/42/EC an SEA is required of plans and programmes which “determine the use of small areas at a local level”. The Borough Council as “responsible authority” determines if the plan is likely to have significant environmental effects. They determined, in a Screening Statement of 31st July 2017, that the plan would not require a Strategic Environmental Assessment or an Appropriate Assessment.

Human Rights and European Obligations

- 2.6 I have no reason to believe that making the plan would breach or is incompatible with the European Convention on Human Rights or other EU obligations.

Plan period

- 2.7 The neighbourhood plan clearly states, in section 8 and elsewhere, that it covers the period to 2031, which is co-terminus with the Council’s Draft Local Plan, rather than the Core Strategy (which is to 2025).

Excluded development

- 2.8 A neighbourhood plan cannot include policies for excluded development, such as minerals and waste. I have concluded that the plan does not do so.

Land Use Policies

- 2.9 A neighbourhood plan cannot include policies that are not concerned with the use or development of land. However, there are a number of instances where the plan advocates community action by the Forum or other parties. In those places where the policies do not relate to the use or development of land I would have recommended that the policies and supporting text be removed from the body of the plan; though they can be retained as part of an Appendix, provided it is clear that they sit under a heading like Community Action and are not stated in any way to be plan policies. The plan already has a sub-section at 8.10 dealing with those aspects of estate regeneration that the drafters felt would not qualify as plan policies. I deal with this issue more fully in section 4 of my report.

Public consultation and responses to the submitted plan

- 2.10 The Consultation Statement sets out the extensive steps taken by the Forum to engage the local community. The statement is accompanied by an extensive (260

pages) set of appendices; eight deal with evidence of the consultation exercises as well as some factual matters (ward demographics, for example); the ninth is described as the Evidence Base, which set out further analysis of the plan area, covering topics of population, housing, infrastructure, green space, environment, crime and health.

- 2.11 The Forum started in late 2014 and The Resident's Group had over 8,000 members by September 2017. From the beginning the Forum used social media extensively: the Facebook page had over 2000 reaches, Twitter 350 followers, the Email newsletter over 700 subscribers; Nextdoor, a local communication website had over 400 members; and the Forum website averaged 235 unique visitors a week. The Forum engaged extensively through public meetings, workshops and with external networks (like New London Architecture). The statement lists the range of surveys, meetings, stakeholder engagement events and other activities, as well as setting out how the Forum responded to representations and comments at the Regulation 14 stage.
- 2.12 A total of 29 parties made representations to the submitted plan; though three were submitted so soon after the deadline that I accepted them. I did, however, refuse to accept some representations made well into the examination. The parties raising substantive matters included: The 4 Estates Forum, One Housing Group, Ashbourne Beech Property Ltd, Historic England, The Canal & River Trust, Ballymore Group, Canary Wharf, Strong Drive Ltd, Westferry Developments, the Greater London Authority and the Council as well as a number of local residents (most local resident representations were simply supportive of the plan, generally). Some statutory undertakers had no comments.
- 2.13 The Forum also made representations its own plan. And at the hearing the Forum introduced Counsel's Opinion on issues that were relevant to the topics on the agenda and which were circulated and which I have taken into account.

3. The Neighbourhood Plan in its planning and local context

National policies and advice

- 3.1 The neighbourhood plan must have regard to national policies and advice, contained in guidance issued by the Secretary of State, and contribute to the achievement of sustainable development (the first two Basic Conditions). Paragraph 16 of the National Planning Policy Framework (the Framework) is concerned with neighbourhood planning:

"The application of the presumption [in favour of sustainable development] will have implications for how communities engage in neighbourhood planning. Critically, it will mean that neighbourhoods should:

- *"develop plans that support the strategic development needs set out in Local Plans, including policies for housing and economic development; [and]*
- *plan positively to support local development, shaping and directing development in their area that is outside the strategic elements of the Local Plan;"*

The Framework explains at para 184 that:

"The ambition of the neighbourhood should be aligned with the strategic needs and

priorities of the wider local area". And: *"Neighbourhood plans should reflect these policies and neighbourhoods should plan positively to support them. Neighbourhood plans should not promote less development than set out on the Local plan or undermine its strategic policies."* The Framework's policy guidance on Local Green Space designations is set out at para 77.

- 3.2 The plan must give sufficient clarity to enable a policy to do the development management job it is intended to do; or to have due regard to Guidance. For example, the Guidance explains that:

"A policy in a neighbourhood plan should be clear and unambiguous. It should be drafted with sufficient clarity that a decision maker can apply it consistently and with confidence when determining planning applications. It should be concise, precise and supported by appropriate evidence. It should be distinct to reflect and respond to the unique characteristics and planning context of the specific neighbourhood area for which it has been prepared." (ref 41-041-20140306)

- 3.3 There has to be appropriate evidence to support particular policies, notwithstanding it may express a strong and well-intentioned aspiration or concern of the local community. The Guidance (recently revised Para 040 ref 41-040-20160211) states:

"While there are prescribed documents that must be submitted with a neighbourhood plan or Order there is no 'tick box' list of evidence required for neighbourhood planning. Proportionate, robust evidence should support the choices made and the approach taken. The evidence should be drawn upon to explain succinctly the intention and rationale of the policies in the draft neighbourhood plan or the proposals in an Order.

A local planning authority should share relevant evidence, including that gathered to support its own plan making, with a qualifying body

Neighbourhood plans are not obliged to contain policies addressing all types of development. However, where they do contain policies relevant to housing supply, these policies should take account of latest and up-to-date evidence of housing need.

In particular, where a qualifying body is attempting to identify and meet housing need, a local planning authority should share relevant evidence on housing need gathered to support its own plan-making".

- 3.4 The Basic Conditions Statement (BCS) sets out how the policies in the Neighbourhood Development Plan (NDP) relate to the Framework and the development plan, though it – and section 4 of the NDP - set out the planning context in such a way that it is not clear whether the drafters understand the distinction between the development plan as opposed to emerging plans or supplementary planning documents. Nevertheless, the two documents do set out the relevant development plan context adequately.
- 3.5 Overall, from my review of both the BCS and the NPD, I have concluded that the plan is in general conformity with the strategic policies of the development plan. I have also concluded that the plan seeks to promote sustainable development – both Basic Conditions.

The Development Plan - strategic policies

- 3.6 The neighbourhood development plan must be in general conformity with the strategic policies of the development plan for the area. The development plan comprises:
- The London Plan (LP) 2016; together with
 - LBTH Core Strategy DPD 2010 (which runs to 2025); and
 - LBTH Managing Development DPD 2013.
- 3.7 The London Plan is part of the development plan. In one sense all LP policies are strategic; but not all are directly relevant to the plan. The Basis Conditions Statement set out pages 14-17 those policies that the plan-makers considered the most strategically relevant. These include [not an exhaustive list]: Policies 1.1 (strategic vision), 2.9 (inner London), 2.13 (Opportunity Areas), 3.4 and D1 (optimising housing potential; this includes the Density Matrix referred to on page 21 of the neighbourhood plan). 3.5 (quality and design of housing developments), 3.7 (large residential developments), 3.8 (housing choice), 3.9 (mixed and balanced communities; this is relevant to estate regeneration), 3.16 (protection and enhancement of social infrastructure), 3.17.18 (health, social and education facilities), 5.3 (sustainable design and construction), 7.1 (lifetime neighbourhoods), 7.4 (local character), 7.7 (location and design of tall buildings), 7.14 (air quality) and 8.3 (Community Infrastructure Levy).
- 3.8 The Isle of Dogs lies within the LP Isle of Dogs Opportunity Area, a location for intensification and major change. The LP sets a target of 110,000 extra jobs and a minimum of 10,000 new homes across the whole OA of which the plan area is a part. Over 19,000 new homes currently have been permitted.
- 3.9 The future planning of the Opportunity Area is now being taken forward as part of the Isle of Dogs & South Poplar Opportunity Area Planning Framework (OAPF), which is now out for consultation. This document, which now has an indicative target of 29,000 new homes and 110,000 jobs, is supported by a Draft Development Infrastructure Funding Study (DIFS); both the OAPF and DIFS were only made publicly available the evening before the hearing. I deal with this issue in the next section, Overview.
- 3.10 The London Plan is at an advanced stage of review. A number of representations pointed to the more flexible approach to density in this plan, which no longer includes a Density Matrix.
- 3.11 The Core Strategy has a number of relevant strategic policies which are set out on page 12 of the Basic Conditions Statement. There are also a number of site-specific policies and allocations in the Development Management DPD, including a number relevant to some representations, for example - Site Allocation 19 (Crossharbour Town Centre).
- 3.12 The Council is preparing a new Local Plan: Tower Hamlets Draft Local Plan 2031: Managing Growth and Sharing the Benefits. Regulation 19 consultation started in October 2017.
- 3.13 Overall, I have concluded that the NDP is, in my view, in general conformity with the strategic policies of the development plan for the area.

4. Overview

4.1 There is a fundamental difficulty with the plan, as submitted for examination, in relation to the lack of infrastructure evidence to support a central thrust and policy of the plan. The other difficulty is the extent of polices that are not concerned with the use or development of land which, when removed, leaves little of substance left in the plan. I deal with each of these in turn, together with an additional observation about a drafting matter.

a) Infrastructure evidence

4.2 **Policy D1** (taken as whole) deals with a core aim of the plan - concerning the need for proposed developments that exceed the London Plan's maximum recommended density to only be permitted after all the infrastructure and services needed to support them and all other developments nearby have been specifically identified and guaranteed. The supporting explanation and justification relies on some (confidential at the time) material drawn from an earlier draft of the Development Infrastructure Funding Study (DIFS), which was available to the plan authors at the time, though not in the public domain. The extent and public availability of this evidence was explored at the hearing.

4.3 I spent some time at the hearing discussing the issue of how to deal with the DIFS, given that it substantially underpins the infrastructure evidence in the plan. At the close of the hearing I was handed the June 2017 PowerPoint slides (which was all that was available at the time; a confidential presentation to local Councillors, one of whom was part of the Forum) and the Final Draft DIFS Report (dated November 2017) only then just published by the GLA as a supporting document to the Isle of Dogs and South Poplar OAPF, which is the subject of public consultation¹.

4.4 The difficulty facing my examination is that a central theme of the plan - the provision of appropriate infrastructure to support the growth that is taking place through development - is not supported, in my view - and that of many of the representations - by evidence - leaving aside whether it was robust or proportionate - that was publicly available at the time the plan was prepared, nor formed part of the public consultation on the plan. The principle evidence cited in the plan (principally found on pages 46 - 47), the DIFS, was not even available to the authors; the only material available to them was an 18 page set of summary slides (though the Forum maintained that some parties may have had a sight of them).

4.5 At the hearing the Forum suggested that I could pursue one (or possibly both) of two courses of action to remedy this deficiency:

1. Adopting an approach described as a Correction of Errors; or
2. Using the Infrastructure Delivery Plan (IDP) - part of the Council's evidence base for the Local Plan, which draws on unpublished DIFS data and which was the subject of public consultation, albeit after the neighbourhood plan was submitted for examination - as a proxy evidence base.

¹ I stated at the hearing, at the time of being handed these documents that I noted they were prepared by Peter Brett Associates and that I was partner in the firm until four years ago; I explained that I have never had any involvement in any work that firm has carried out in the plan area. I declared this for the record.

- 4.6 I reject both of these approaches: Correcting this deficiency goes far beyond an error; and the IDP is not relied on in the plan, in any event. Instead, I canvassed at the hearing, having given both parties advance warning, the possibility of suspending the examination to enable consultation on the now publicly available DIFS. And in passing, having read the OAPF document, I noted that at 7.1 (third paragraph of the consultation document) that it says that: "It is also fortunate that the timing of the production of the draft Local Plan and Neighbourhood Plan for the Isle of Dogs allows for opportunities to consult jointly on the emerging documents and allow each other to inform the development of the other." (my emphasis).
- 4.7 So, it might have been possible to take advantage of that consultation exercise, if framed appropriately. And I had assurances from both parties that they could accept a fresh consultation and could manage the logistics of doing so. But for this to be an effective solution, I needed to be satisfied that the now published DIFS was substantially the same as the material available to the drafters of the plan and that I could conclude that the core policy of the plan was based on robust and proportionate evidence.
- 4.8 Having reviewed the PowerPoint presentation slides (that came into the possession of the Forum last summer, through a local Councillor) and compared them with the 78 page (double columned) full Draft report, I was not persuaded that this solution was feasible. I explained my provisional conclusions in an email to both parties and asked both the Forum and Council to come to their own views and to let me know. This they did and the email exchanges have now been published on both websites and made available to those who took part in the hearing discussions. The Council agreed with my conclusions; the Forum sought to persuade me that the consistency between the two documents was sufficient for a re-consultation to take place.
- 4.9 Having considered both parties' representations I have concluded that the slides cannot be considered sufficiently robust or proportionate evidence to underpin a core policy in the submitted plan. While the few tables in the slides that are reproduced in the plan are the same, nevertheless the plan necessarily extracts these out of context of the considerable body of material and the wide-ranging arguments in the full (and, at the time, a previous draft) report that was not available to the Forum nor the public at large; further, and crucially, the evidence base used in the plan was not part of the consultation on it. While the general conclusion - that a great deal of extra infrastructure is needed to support the high levels of anticipated growth - is the same, that on its own is not enough to bring the two documents together, in my view, the two documents are simply not comparable in depth or scope.
- 4.10 In terms of rectifying this deficiency I have therefore concluded that consultation on the full DIFS - either as part of the OAPF consultation, or as a stand-alone consultation - cannot rectify this fundamental problem. I consider this represents a **fundamental flaw** in the plan: The infrastructure evidence is simply not robust or proportionate to support a key policy in the plan, has not been consulted on (nor could have been) and so the plan, and Policy D1 in particular, cannot in my view, meet the Basic Conditions.
- 4.11 I have considered simply recommending deletion of all of Policy D1. However, the infrastructure evidence is so central to the plan and Policy D1 is such a core policy that I have rejected deletion as a solution.

b) Non land-use policies

4.12 A significant proportion of the plan is given over to what is effectively advocacy. The plan explains that these matters – which are significant local concerns - should be policies as they are couched in terms that promote sustainable development and therefore fall within the scope of the national guidance. I am not convinced by this argument; the Guidance makes clear (and is quoted in full in the plan) that:

“Neighbourhood planning can inspire local people and businesses to consider other ways to improve their neighbourhood than through the development and use of land. They may identify specific actions or policies to deliver these improvements. Wider community aspirations than those relating to development and use of land can be included in a neighbourhood plan, but actions dealing with non-land use matters should be clearly identifiable. For example, set out in a companion document or annex.” ID: 41-004-20170728

4.13 The most contentious aspect of those policies, which many representations regarded as not concerned with the use or development of land, were in relation to estate regeneration: Policies ER1-8. These are concerned with matters such as the Right to Vote to approve or reject final proposals, the conduct of elections, resident participation, the right of return, tenant and owner rights and public profit reinvestment. I have concluded that these should be recommended for deletion and I explain why in section 7.

4.14 In addition some other policies also strayed beyond what I considered to be concerned with the use or development of land. These included:

- CIL 1-4: The use of Community Infrastructure Levy (CIL) – and see further in section 7 of my report;
- GR1: Helping Establish new Residents Associations – see section 9; and
- 3D1-2: Use of a 3D model for planning –see section 10;

4.15 I have concluded that all of these policies, as currently drafted, fall outside the scope of land use policies and should not be in the body of the plan; however, they could be added as an annex. If they are taken out, together with Policy D1 (if deletion was the way to rectify the evidence deficiency), there is then very little of substance left in the plan; though this in itself is not a reason for the plan to fail.

4.16 Given the Forum’s desire to prepare a “long” plan it will, I believe, be helpful if I gave an indication of my conclusions on the policies in the plan.

c) Drafting

4.17 In a number of places, policies in the plan are applied to “any developments which have to be dealt with by a development committee of LBTH (excluding call-ins).” This seeks to define a threshold; however, this is only current in the Borough and could change. The Council has suggested this expression be replaced by “Strategic” or “Referable” development in order to ensure consistency with the Local Plan and so as not to introduce a new threshold. However, neither of these are defined terms nationally, so I would **recommend** the appropriate threshold be Major Development.

4.18 There are a wide range of drafting matters that relate to the examination – those

which do not I have added as an Annex. For the purposes of this report, I would recommend that any new plan takes into account the general matters raised by the Council in Section 3 of their representations, which I generally support.

- 4.19 In a number of policies the Forum seek to be the party consulted. However they have no formal role in development management and a policy cannot specify that they – or indeed any other party – be specifically consulted. All such references need to be removed, which I believe the Forum has already accepted.

5. Density and Infrastructure

- 5.1 Section 8.1 covers the core concern of the plan and in **Policy D1**. I have already dealt with the absence of a robust and proportionate evidence base; this obviously needs to be rectified in any event. Now that the DIFS is published this should be a relatively straightforward task.
- 5.2 The policy also encompasses hotels but there is no identifiable evidence to support that inclusion – or at least at a threshold that makes sense. At present it would apply to a hotel of 10 rooms, which I am sure is not intended. It may be better to remove it from the policy – which is primarily concerned with the impacts from high-density housing - and create a new policy, suitably evidenced and with an appropriate threshold.
- 5.3 The drafting of the policy itself creates some difficulties. The way the first part is framed it could be interpreted as an embargo until a range of factors, likely to be outside the control of the developer, are resolved. Also the list of potential infrastructure solutions in the second part is too unrelated to any development that might be caught by the first part and so would not meet the requirements of para 173 of the Framework and the CIL Regs (122). The drafting needs to achieve real clarity to enable the policy to be an effective development management tool, as pointed out by the GLA. I agree with the Borough Council's recommended modifications as set out in their representations.
- 5.4 A number of representations were critical that it was linked to the London Plan's density matrix; the general suggestion was to use the more flexible approach in the new draft. However, I would reject that argument, as the London Plan is still part of the adopted plan for the area and its approach to density is of a strategic nature. It is perfectly legitimate, in my view, for the plan – given the circumstances – to adopt the approach it has, which complies with the Basic Conditions. The Council helpfully sets out some drafting improvements to D(2), (3) and (4), which I support.

6. Community Infrastructure Levy (CIL)

- 6.1 Section 8.2 of the plan deals with four aspects of the Forum's proposals for the use of CIL. As they are currently drafted I have concluded they are not sufficiently concerned with the use and development of land to meet the Basic Conditions or legal requirements and so should be deleted. However, with some re-drafting some or all could be re-introduced as part of a new plan, to deal with the significant infrastructure-funding gap (which as a general point is not disputed).
- 6.2 **Policy CIL1** is concerned with the neighbourhood pot. The intention is to direct spend on, or investment in, identified projects. However, it is not possible to identify which projects – other than a list in CIL3 – or what priority should be given to those to be found in different parts of the plan. The policy, in my view is at odds with the CIL

Regulations. Also, the quotes in the plan are from the CIL Guidance and are not necessarily applicable to the role of CIL in a neighbourhood plan. I would, however, consider, that a policy that relates the spend of the neighbourhood element to a prioritised list of projects that are concerned with the use and development of land, to be capable of being included and of satisfying the Basic Conditions.

- 6.3 **Policy CIL2** is concerned with long-term community financing through CIL and is not a policy concerned with the use or development of land; rather, it is concerned with matters that are governed by the CIL Regulations and Guidance not necessarily land use planning. However, it could be redrafted to clarify this as an infrastructure priority. The non-land use elements could then be transferred to an Annex.
- 6.4 **Policy CIL3** is again not drafted currently as a policy concerned with the use or development of land; it is also concerned with matters that are governed by the CIL Regulations and Guidance. However, it does give an indication of the range of matters that the community wish to see funded and this list could be used as a basis for reaching a prioritised list as I outline above (in 6.2).
- 6.5 **Policy CIL4** seeks to limit all CIL to be spent in the plan area. The rationale behind this is understandable, given the scale of development pressures in the plan area and the limited funding for supporting infrastructure. The principal evidence relied on is the DIFS, on which I have already commented. The assertion is that as there is a significant funding gap all available funds should be spent within the area.
- 6.6 However, this ignores the benefits that can be derived from infrastructure spending outside the area. For example a secondary school located outside the area may have a catchment that serves the plan area; the same can be said for a number of the projects listed in CIL4 - a waste facility, water management, and transport and freight delivery. Ultimately, it is not a policy concerned with the use or development of land, even if it was justified. Nevertheless, this could be redrafted to clarify this as an infrastructure priority. The supporting text could be moved to an evidence base document and cross-referenced here.

7. Estate regeneration

- 7.1 The policies seek to secure for the current occupiers of local estates a greater degree of control and protection over their homes – primarily through a voting mechanism - than would otherwise be possible under development plan policy. This is controversial. Even the plan admits: “...even if they do not fit classic land use policies.” There was clear concern among representations about the impact of recent estate regeneration schemes and both the tenants’ representatives and the estate owners – the focus of the discussion at the hearing was on the four estates in the plan area owned and managed by One Housing – testified to how conscious they were of how such schemes can adversely affect individuals and communities if carried out insensitively. It is likely that the same issues would apply to the other 3 main estates in the area (owned and managed by East End Homes).
- 7.2 However, as I have concluded earlier, whatever their merits in terms of good practice for estate regeneration, they are not policies concerned with the use and development of land; nor do they meet the Basic Conditions or the legal requirements, I see no place for them in the body of the plan. But they could form an extended Annex.

8. Empty sites policies

- 8.1 The policies in this section are primarily aimed at encouraging the use of undeveloped sites – or those awaiting redevelopment – for a range of purposes that would be of benefit, albeit temporary, to the local community. This is clearly relevant to the local circumstances of the area and this issue generally concerns land use. The policy seeks to impose a set of obligations on the developer to submit a feasibility study and impact assessment for a meanwhile use on their sites as part of their application. The policy goes on to list a priority list of projects and then the conditions on which the sites will be provided.
- 8.2 The issue raised by a number of representations was the potentially onerous nature of this policy. The priority order seems not to be well evidenced; rather, it seems to be a set of local preferences. The conditions – which are expressed in mandatory language - need to be reviewed to meet the Basic Conditions. Para 173 of the Framework, for example, explains that polices should not impose onerous obligations or should frustrate strategic sites in the development plan – a concern expressed by some representations. The third bullet, concerned with use of funds, I would judge to be in conflict with the CIL Regulations. Any new policy should be robustly and proportionately evidenced and explain it only applies to Major Development (see earlier).

9 Helping Establish New Residents' Associations

- 9.1 **Policy GR1** requires the promoters of certain classes of development to include, in all leases in the development, automatic membership of a formally recognised residents' association — as well as other conditions. I do not consider this is a policy concerned with the use or development of land and should be deleted, as this does not meet the Basic Conditions. The text could be moved to an Annex as part of the plan's advocacy.
- 9.2 The objectives of the policy are understood, so it may be that a new policy, as the Council suggest, would be better framed within another topic, such as design.

10 3D Model for planning

- 10.1 There are two policies – **3D1** concerned with the use of 3D modeling in formulating future planning polices; and **3D2** with its use in appraising planning applications.
- 10.2 Policy **3D1** is essentially an advocacy policy – it seeks to ensure that the planning of the area be carried out using 3D modeling, to a given specification and standard. This chimes with GLA proposals to create a London-wide 3D model. Given that the only planning bodies in the area are the GLA, LBTH and the Forum, this is not – as currently drafted - a land use policy as such but a local action point. The GLA point out that to be so it would need to explain exactly what official model is involved and to set out the part the developer would play in its funding and on-going management.
- 10.3 Policy **3D2** seeks to add 3D modeling to the validation of all major planning application. The justification is Policy 3D1. This is potentially circular. There is in fact no evidence that it is necessary for every major application. There are a variety of ways to enable a proper appraisal of a development effects. If this policy is to survive in a new plan it needs to be substantiated by robust and proportionate evidence. At present it has neither and should be deleted.

10.4 Overall, it is recommended that these points be re-drafted and included as Community Action points in an Annex.

11. Broadband access

11.1 Policy **BBA1** is concerned with securing fibre to the premises. The GLA point out that the supply of broadband to homes is a commercial matter unless the policy is making site-specific infrastructure requirements. It is not yet development plan policy to require such access, though the draft LP requires developers to include certain design measures to support digital connectivity. The Council points out that this policy ensures a consistency with the Local Plan and doesn't introduce a new threshold. But evidence is also required that this policy is deliverable; it should instead focus on future-proofing. I agree with the GLA's representation and conclude that this policy does not meet the Basic Conditions as drafted, not being concerned with land use and so should be deleted.

11.2 **Policies BBA 2 and 3** effectively require developers to enter in to arrangements that are a commercial matter. As drafted it is not clear as the Council point out, what the planning mechanism would be to deliver this policy; and, they as I do, consider it to fail NPPF para 206 on conditions and so should be deleted.

12 Construction management and communication

12.1 Construction impacts are a very significant issue in the plan area; the effects of construction disruption – largely due to the large number of developments occurring in such close proximity - are listed on page 27 of the plan. At present there is no effective co-ordination process (unlike during the Olympics construction, by way of contrast). The GLA point out that a core aspiration of the OAPF will be to understand and address the impacts of construction delivery and servicing freight.

12.2 **Policy CC1** deals with Construction Co-ordination. It requires construction companies to consult with Forum on material changes to a construction management plan (including encroachment on public land/access); and for the Council to consult the Forum. Proper consultation is a valid land use matter as is the impact of construction but the Forum are not the local planning authority and so cannot, in my view, insist on being directly consulted.

12.3 Given the local circumstances it would be proper for a policy to be included that required applicants – a policy cannot only require construction companies per se - to consult those likely to be directly affected including on proposals that alter construction management plans. The Council makes a similar point; though the policy should only apply to Major or Strategic Development. A Community Action could be added to the Annex that argued for the Forum to be consulted.

12.4 **Policy CC2** concerns Construction Communication. This effectively extends the scope of CC1 to include notification of working hours. The Council point out that this is primarily a matter for the Environmental Health team to monitor. My conclusions on CC1 apply here too.

12.5 **Policy CC3** concerns the Control of Dust and Emissions During Construction and Demolition. It seeks compliance with the GLA's SPD on the same topic; and for data to be shared with the Forum. The main part of this policy seems to me to be reasonably justified by the conditions faced by the local community. But the second sentence, concerning sharing data, is not reasonable and should be deleted.

13 Sustainable design

- 13.1 **Policy SD1** concerns Sustainable Design and applies to all major development categories. It seeks to ensure that BREEAM Excellent ratings are achieved. The policy also includes application of the Home Quality Mark. The reason for its inclusion is that while the policy is in the emerging Draft Local plan the local community wish to see it implemented sooner than the draft plan's timetable would suggest.
- 13.2 In my view this policy can satisfy the Basic Conditions with some drafting modifications. However, as the Council point out, the WMS of 25th March 2015 prevents requirements of standards other than the Building Regulations and the optional technical standards. The policy and supporting text should only provide guidance to the relevant decision-maker.

14 Air Quality

- 14.1 **Policy AQ1** is concerned with protecting air quality and securing the goals of the Paris Agreement. It is in four parts, part 2 containing seven criteria or requirements. The Council has raised many concerns with the drafting of this policy, notwithstanding their support for the objectives. It is clearly a local concern of some significance.
- 14.2 However, I agree with their concerns and consider that the suggestions they set out in their representations are valid and could be used to inform an enforceable policy in a new plan. That could meet the Basic Conditions.

15 Referendum Area

- 15.1 The Forum originally argued for a wider area, given the boundary problem but confirmed at the hearing that this was no longer their position and the Council could manage a referendum for the designated area alone.
- 15.2 Planning Practice Guidance on the Independent Examination explains:
- "It may be appropriate to extend the referendum area beyond the neighbourhood area, for example where the scale or nature of the proposals in the draft neighbourhood plan or Order are such that they will have a substantial, direct and demonstrable impact beyond the neighbourhood area."*
- Reference ID: 41-059-20140306
- 15.3 There are no formal development site allocations in this plan and in my view the nature and scale of what it proposes would not *have a substantial, direct and demonstrable impact beyond the neighbourhood area*. I would therefore **recommend** that the Referendum Area be the same as the designated neighbourhood area, if the plan went forward to referendum.

16 Conclusions and recommendations

- 16.1 I can see that the Forum and its volunteers have put in a great deal of hard work into the submission of the plan and the supporting documents. It seeks to represent the local community's aspirations, which it does well. Where it has not succeeded is in the way a core policy has not been evidenced. And, many policies would need to be

removed from the body of the plan as they are not concerned with the use or development of land but advocate what is effectively Community Action.

- 16.2 Overall, from my examination of the submitted Neighbourhood Development Plan, together with the supporting documents, including having regard to all the representations made, I have concluded that the plan has a fundamental flaw and that the making of the plan would not meet the Basic Conditions. I conclude, however, that the legal requirements could be met, subject to certain recommended modifications. I have set out my conclusions, drawn from the findings in my report, in the Summary, on page 3.
- 16.3 In summary, I **recommend** that the Isle of Dogs Neighbourhood Development Plan should not proceed to referendum. I **recommend** that if the plan does proceed to referendum then the Referendum Area should be the same as the designated neighbourhood area
- 16.4 Finally, my thanks to both the Council and Forum for their support in the examination.

John Parmiter FRICS FRSA MRTPI

7 June 2017

Independent Examiner


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Annex – this does not form part of the formal report

There are a variety of presentation and drafting points that do not form part of the formal examination but which could beneficially be addressed in a future plan and on which it may help the drafters to have some feedback:

1. All the headings and paragraphs in the plan need numbering; it will enable easy referencing.
2. Every table, map and image would benefit from a unique reference: Eg. Table 1, Figure 2 etc, for the same reasons.
3. Much of the data quoted and presented might be easier to assimilate and better related to the polices if simplified in its presentation. Where the matter is detailed it may be better to transfer to an evidence base document and cross-referenced in the text.
4. The development plan context could be more clearly set out.
5. The distinction between Explanation and Justification seems artificial.
6. References should be provided in support of statements in the plan, especially “own evidence”.
7. Figures and tables should be updated – and checked – where data is available.

<p>Cabinet</p> <p>27 June 2018</p>	
<p>Report of: Zena Cooke – Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Provisional Outturn report 2017-18</p>	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources
Originating Officer(s)	Kevin Miles, Chief Accountant
Wards affected	All Wards
Key Decision?	No
Forward Plan Notice Published	N/A
Reason for Key Decision	N/A
Community Plan Theme	ALL

Executive Summary

In February 2017 the Council agreed a General Fund (GF) revenue budget of £338.9m and a Capital programme of £216.2m. This report details the provisional outturn position for 2017-18 based on information that is being included in the council’s published financial statements for 2017-18. The report includes details of:-

- General Fund (GF) Revenue Budget Position
- Housing Revenue Account (HRA) Budget Position
- Progress delivering 2017-18 Savings
- Progress delivering Council Growth Priorities, including Mayoral Priority Growth
- Council Tax and Business Rates Income
- Treasury Management Activities
- Pension Fund Investments Position

The Council’s auditors (KPMG) are currently undertaking the statutory audit of the Council’s Statement of Accounts and will report their findings to the Audit Committee by the end of July. Once the audit process has concluded the final outturn position for 2017-18 will be confirmed.

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

General Fund forecast outturn shows an **underspend of £1.5m** after the application of reserves. The HRA has achieved an **underspend of £20.5m**.

There were significant pressures in Children's Services which resulted in an overspend, much of this was attributable to social care. Similar issues in Health, Adults and Community have been largely mitigated with the application of the Improved Better Care Fund and new Adult Social Care grants. Other Directorates are reporting relatively minor variations with mitigating management action being applied.

Corporate costs and capital financing (including the corporate contingency) was £10.7m underspend which was used, alongside approved earmarked reserves, to offset unplanned pressures.

Whilst there has been slippage of some savings into 2018-19, the majority of saving proposals have been delivered or compensatory action applied.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's provisional outturn position against Revenue and HRA budgets agreed for 2017-18, based on information as at the end of March as detailed in the Appendices

1. ALTERNATIVE OPTIONS

- 1.1. The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provide detailed financial information to members, senior officers and other interested parties on the financial performance of the Council.
- 1.2. Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial position set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 1.3. No alternatives are considered as the report sets out the actual position of the Council following completion of the 2017-18 year.

2. REASONS FOR THE DECISIONS

- 2.1. The production of annual accounts is a statutory function and the outturn report summarises the financial position for Members to form an

assessment of performance in delivering their priorities within the budgets set.

- 2.2. To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making. Issues that are apparent in 2017-18 will, if not addressed, continue to impact on the Council's finances.

3. DETAILS OF REPORT

- 3.1. The attached report and appendices set out the detailed information relating to the 2017-18 outturn position.
- 3.2. The 2017/18 Draft accounts have been prepared and are currently being reviewed as by the Council's external auditors – KPMG. Their findings will be reported to the Audit Committee in July.

4. CHIEF FINANCE OFFICER COMMENTS

- 4.1. The attached report is primarily of a financial nature and there are no additional comments to add.

5. LEGAL COMMENTS

- 5.1. The report provides financial performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 5.2. Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.
- 5.3. The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for the Cabinet to receive information about the revenue and capital budgets as set out in the report.
- 5.4. When considering its performance, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good

relations between persons who share a protected characteristic and those who do not (the public sector equality duty). The Council's budgets are formulated by reference to its public sector equality duty and monitoring performance should help to ensure they are delivered.

6. ONE TOWER HAMLETS CONSIDERATIONS

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

7. BEST VALUE (BV) IMPLICATIONS

- 7.1. The Council's achievement of the principles of Best Value are assessed annually as part of the final audit of the Council's financial statements by the Council's external auditors KPMG and this will be reported to the Audit Committee as part of their review and opinion of the 2017-18 Statement of Accounts.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1. There are no specific actions for a greener environment implications

9. RISK MANAGEMENT IMPLICATIONS

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

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1. There are no specific crime and disorder reduction implications.
-

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

Provisional Budget Outturn Report – plus -
Appendix 1 – Summary Budget Management Report
Appendix 2 – Revenue Control Budget
Appendix 3 – Capital Control Budget
Appendix 4 – Savings Tracker Summary and Detail

Background Documents

The Council's draft Statement of Accounts are on the Council's website for public consultation and are subject to audit review.

https://www.towerhamlets.gov.uk/ignl/council_and_democracy/council_budgets_and_spending/annual_accounts.aspx

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2017-18 Provisional Outturn Report

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Circulated to	Corporate Leadership Team (CLT)
Date	
Classification	Unrestricted
Report of	Zena Cooke – Corporate Director of Resources
Lead Member	CLr Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Kevin Miles, Chief Accountant
Wards affected	All Wards
Key Decision?	No

Revenue Outturn variance

£m Directorate	Outturn Variance	Revised Budget	Outturn Position (before Reserves)	Reserve Adjustments	Outturn Position (after Reserves)
Children's Services	8.8	98.8	110.1	(2.5)	107.6
Resources	0.8	26.3	26.6	0.5	27.1
HAC	-	139.1	138.0	1.1	139.1
Place	(1.0)	64.4	64.0	(0.6)	63.4
Governance	0.6	12.8	13.4	-	13.4
Corporate Costs	(10.7)	4.5	0.7	(6.9)	(6.2)
General Fund	(1.5)	345.9	352.8	(8.4)	344.4
HRA	(20.5)	12.0	(8.5)	20.5	12.0
Total	(22.0)	357.9	344.3	12.1	356.4

Executive Summary

The overall provisional outturn variance for revenue is **£22.0m**, being £1.5m positive variance in the General Fund on a revised budget of £346m (0.4%), plus a **£20.5m** positive variance against the Housing Revenue Account (HRA). The Council's Medium Term Financial Plan (MTFP) assumed in 2017-18 there would be a contribution of £0.5m to the Council's General Fund reserves and that £12m of reserves were required in support of the HRA revenue budget.

For the HRA rather than requiring support from reserves of £12m it has proved possible to add a further £8.5m to the HRA reserve. This is primarily due to reduced levels of capital expenditure which were originally intended to be funded from revenue.

The 2017-18 approved General Fund budget also required the delivery of saving proposals of £20.4m in order to deliver a balanced budget. An additional £5.7m relating to slippage from previous years' proposals were also required to be achieved. During the year £22.9m of savings were actually delivered with £5.3m of savings slipping into later years.

The revised capital budget for 2017/18 is £182.9m (£127.6m GF and £55.3m HRA). Actual expenditure for General Fund schemes was £88m; around 70% of the revised programme. For the HRA actual expenditure was £34.5m; 62% of the revised programme.

Provisional Outturn Position

The provisional outturn position is consistent with that reported to the Cabinet based on the quarter 3 (December 2017) position. The Council's 2017/18 statement of accounts has been published by the statutory deadline of 31 May and is now subject to audit review by KPMG whom will report their opinion to the Audit Committee by the end of July 2018.

£1.5m Underspend on General Fund: the original budget approved by Members assumed a transfer to General Fund reserves of £0.5m; the outturn position is an improvement on that but is consistent with the position reported to Cabinet throughout 2017/18.

£22.9m Savings: nearly £23m of our proposed savings have been delivered with slippage of £5m into 2018/19.

£20.5m Budget Surplus on HRA activities: the surplus has reduced from that anticipated in quarter 3 but overall £8.5m has still been added to the ring-fenced HRA revenue reserve for use in future years'.

£150m Current estimate of Pension Fund deficit: The estimated Funding level has increased from 82.8% to 90.4% at the end of December 2017. The next formal valuation will take place at April 2019.

£m	Outturn Variance	Revised Budget	Outturn Position (before Reserves)	Reserve Adjustments	Outturn Position (after Reserves)
Children's Services	8.8	98.8	110.1	(2.5)	107.6

The General Fund outturn variance is £8.8m. The overspend is mainly in Children's Social Care and reflects the national picture – 75% of Councils are reporting overspends in Children's Services, according to the LGA. Following the Ofsted report in April 2017, Children's Services initiated an Improvement Plan. The plan includes a one-off £4.2m cost over two years, to be funded from Reserves and conditional on hitting certain targets. £1.9m of this total has been spent in 2017/18. The service will monitor the impact of the plan on levels of demand and its longer term service costs.

It is expected that these pressures will start to reduce as ongoing work around the sufficiency strategy and workforce strategy for CSC take effect. The gate-keeping on high cost placements will continue and the implementation of the Early Help Service will ensure LBTH has a robust preventative service for families. Recruitment and retention of social work staff will continue to have a key focus in reducing the cost pressures of agency staff; implementation of the Social Work Academy will assist with this process.

There is an overall underspend against the Dedicated Schools Budget of 0.2m which was reported to the Schools Forum on 13 June.

A list of significant variances with explanations is shown below

(in numerical descending order)	£m	Variance commentary
<p>Staffing We're dealing with increased demand via agency staff. We need instead to recruit permanent staff</p>	2.2	Demand for services is up (since April, 15% more caseload, 41% more monthly contacts, 66% more referrals). Result: agency staff now make up over a third of our social work posts. Also when budgeting we assumed staff costs would average out at the mid-point salary scales, but the reality has seen costs closer to the top of the scale. Action: plans to recruit and retain more permanent staff have been developed and budgets have been reassessed accordingly with additional provision being agreed as part of the 2018/19 budget.
<p>Special Educational Needs and Disabilities (SEND) This impacts on elements of the General Fund (Transport costs) and the Dedicated Schools Budget (SEN placement costs)</p>	3.6	In the medium to long term, our Special Educational Needs and Disabilities (SEND) strategy, which is currently in draft form, will address some of this pressure by managing down the demand for transport provision. This will be through better early intervention, avoiding the need for formal Education Health and Care Plans (EHCPs), providing more locally based placements, expansion of some schools where demand currently outstrips supply and collaboration with neighbouring boroughs; who may be able to provide more specialist placements closer to pupils' home. In addition, better management of the EHCP process will ensure that the need for transport for individual pupils will be reviewed on a more regular basis. The growing number of children with ECHPs is continuing to cause a budget pressure on the Dedicated Schools Budget. 2018/19 pressures of £1m have been acknowledged as a risk within the MTFS to be funded from reserves.

<p>Looked After Children (LAC) Increased demand and the age profile of our LAC population is leading to higher costs.</p>	<p>2.5 Ofsted commented on delays in care proceedings and high thresholds. Result: we have more children in care (and we expect even more in future), and there is a high proportion of older children too which cost more to look after. Action: we plan to intervene earlier in a child's life. The experience of other councils is that the sooner help is provided the more cost effective it is in overall terms. It will increase costs us in the short term (more young children in the system now), but saves us in the long term (the length of time in care would reduce and fewer children remain as more costly older children in the system). Our sufficiency strategy is beginning to make an impact on the high costs. It has been established that some of the pressure in 2017/18 relates to previous years' costs and the underlying pressure is considered to be £1.8m.</p>
<p>Leaving Care Services LAC have an entitlement to leaving care services after they become adults</p>	<p>1.4 The overall growth in LAC numbers and the higher numbers of older children are putting pressure on this area of the budget; the strategy of intervening earlier will also help to manage this pressure in the medium to long term.</p>
<p>Contract services The costs of school meals are not covered fully by income.</p>	<p>1.8 The service has been focussing on reducing costs as far as possible together with a proposed increase in the meal prices for secondary schools (from £2.35 to £2.75). Any increase in price for both Primary (0.5p increase from £1.95 to £2.0) and Secondary schools will come into effect from September 2018.</p>
<p>Integrated Early Years Service This impacts on elements of the General Fund and the Dedicated Schools Budget.</p>	<p>(0.7) Following the restructure of the Integrated Early Years services (IEYS) which was completed in May 2017 work has been going on to clarify the full financial impact of those changes. There has been a significant churn in staffing and time was needed for bedding down before the impact could be assessed. This information is now being used to inform financial planning for 2018/19 and to identify where the savings committed to in the medium Term Financial Strategy can be realised. The financial position across the IEYS budgets identifies some variation between the services. There is a lower take up of 3-4 years funding for PVI's and in-house nurseries.</p>

Other comments

<p>Free School Meals</p>	<p>Free School Meals programme is funded by Mayors Fund Growth Bid (£2m) and Public Health Grant (£1m). An additional pressure of £0.560m arising from increased pupil number demand has been funded from the Public Health Grant.</p>
<p>Tower Hamlets Youth Sports Foundation (THYSF)</p>	<p>The Mayor has written to the Foundation Trustees following an evaluation of the business plan and in the light of schools signing up to the THYSF service offer. Unfortunately there is insufficient commitment to establish the financial viability of this service and it will therefore cease from the end of the summer term 2018. A transition plan is being agreed and schools will be signposted to existing alternative providers.</p>

Outturn variance £0.8m overspend

£m	Outturn Variance	Annual Figures		Figures to 31 Mar. 2018	
		Revised Budget	Forecast Outturn Position (before Reserves)	Reserve Adjustments	Forecast Outturn Position (after Reserves)
Resources	0.8	26.3	26.6	0.5	27.1

The Resources directorate has an overspend of just under £0.8m, which is an improvement from the £1.2m overspend that was last reported to Cabinet at quarter 3 (December). The improved position is principally due to a lower than anticipated overspend in customer access and this has been achieved through a number of cost cutting measures implemented throughout the year, including vacancy management. The key variances are still in Customer Access, Housing Benefit and Council Tax Administration and a brief explanation is provided below.

(in numerical descending order)	£m	Variance commentary
Customer Access Tower Hamlets Homes now provide their own customer contact centre	0.30	Tower Hamlets Homes stopped buying this service from us and the shortfall is caused by the lost business/income. The cost of the service is mainly staffing and while restructures are being progressed to reduce expenditure, they will not be in place until the end of Q1 of 2018-19. In the interim the service has managed to reduce the level of overspend by vacancy management.
Housing Benefit Admin Reductions in Government Grant support	0.29	The service is delivering savings of £0.5m agreed last year and faces on-going grant reductions from the government. Costs are mainly staffing and the service cannot achieve the level of staff reductions needed this year to cover both the savings requirement and the grant reduction without affecting service levels. A longer planning period is required to redesign the service in the context of welfare reform changes and time limited resources have been agreed as part of the 2018/19 budget process to manage these changes over a longer timeframe.
Council Tax Admin	0.16	Additional income anticipated to meet previously agreed savings has not proved possible to generate due to restrictions on what can be charged for court costs and the service will need to reduce costs to be within budget.

Other comments

Use of Reserves	Approximately £6m has been drawn down from the Transformation Reserve to pay for costs associated with delivering the smarter together savings programme including the costs of the Programme Management Office. A further £2.1m has been drawn from the ICT Transformation Reserve to fund ICT Transformation projects totalling £16m agreed by the Mayor in Cabinet earlier in the year.
Directorate Savings	There are specific savings in Finance, HR, and Housing Benefits – the detailed performance on these are set out within the savings tracker. All projects are progressing and where there is slippage such as with the finance review, these have been covered by bringing forward treasury savings

No overall variance

£m	Outturn Variance	Revised Budget	Outturn Position (before Reserves)	Reserve Adjustments	Outturn Position (after Reserves)
HA&C	-	139.1	137.8	1.3	139.1

The Health, Adults and Community Directorate budget for 2017/18 is balanced once the ring-fenced Public Health Grant is taken into account. We have summarised the main variances below.

The 2017/18 budgets included £7m of savings including £3.3m of savings from prior years. The directorate achieved £5.5m (79%) of savings in 2017/18. The writing off of historic unachievable savings totalling £0.7m was agreed as part of 2018/19 budget setting process. The remaining savings slippage of £0.8m will be achieved in full in 2018-19.

(in numerical descending order)	£m	Variance commentary
Adult Social Care An overspend due to demand for residential and community-based care services for disabled and older people.	1.8	<p>There was a £1.8m overspend in this area against a net budget of £89.8m (2%).</p> <p>The overspend was caused by pressures in demand led residential and community based care services for adults with disabilities and older people. For residential care a new charging policy was implemented from April 2017 with an income target of £540k. A total of £1.6m was billed and £825k collected by the end of the year. Work is continuing to review the level of charges which are subject to change as a result of financial assessment processes. The 2018-19 budget will be reviewed in the light of any re-assessemnts.</p>
Commissioning & Health An underspend due to procurement efficiencies.	(1.4)	<p>The outturn variance is a £1.4m underspend against a net budget of £12.6m, following efficiencies achieved through the procurement programme.</p>
Community Safety An underspend due to temporary vacancies in staffing	(0.4)	<p>The outturn variance is a £0.4m underspend against a net budget of £3.2m.</p> <p>The underspend was attributable to a number of temporarily vacant posts being held due to delays in recruitment.</p>
Public Health An underspend due to procurement efficiencies and demand management	(1.3)	<p>The outturn variance is a £1.3m underspend against the budget of £33.5m. This was achieved through procurement efficiencies and the management of demand in primary care, sexual health and substance misuse services.</p> <p>The unapplied grant of £1.3m will need to be retained in reserves for Public Health initiatives in future years, in line with the ring-fenced nature of the grant.</p>

£m	Outturn Variance	Revised Budget	Outturn Position (before Reserves)	Reserve Adjustments	Outturn Position (after Reserves)
Place	(1.0)	64.4	64.0	(0.6)	63.4

The Place Directorate achieved an overall underspend of £1.0m for 2017/18. Historic savings of £1.6m were not achieved however, mitigating action has been put in place to cover the shortfall in the current year.

(in numerical descending order)	Variance £m	Variance commentary
Property & Major Programme Unbudgeted maintenance costs	0.24	Budget pressures are due to having to meet statutory compliance and planned maintenance obligations on the corporate estate. For 2018/19 the existing measured term contract for building maintenance will transfer to a hard services contract that should result in better control of the planned and reactive maintenance budgets.
Resources Unbudgeted Management costs	0.10	Costs due to senior management being brought in to support the directorate. These costs have been contained within the overall Place budget.
Planning & Building Control Unbudgeted Plan Making Team funded from increased income.	(0.05)	The unbudgeted cost for the Plan Making Team and the additional income generated from an increase in statutory planning fees of 20% effective from Jan 2018, has resulted in the unbudgeted cost being contained.
Public Realm, Housing & Regeneration Increased income from Housing Associations and developments.	(0.32)	A number of budget pressures have been contained for the current year, these include advertising income, historic unachieved savings and waste contract retender project costs. After taking account of the Landlord Licensing income, the mitigations also included the achievement of additional income from increased development in the borough and savings from the procurement of the new waste disposal contract.

£m	Outturn Variance	Revised Budget	Outturn Position (before Reserves)	Reserve Adjustments	Outturn Position (after Reserves)
Governance	0.6	12.8	13.4	-	13.4

The Governance directorate has an overspend of £0.6m which is a slight improvement from the position reported previously to Cabinet. The key areas of overspend are still Strategy Policy and Performance (SPP) and the Registrars Service. The pressure in SPP is temporary and is linked to slippage in the savings programme which is now on track to be concluded in 2018/19. Further explanations for the key variances are provided below.

(in numerical descending order)	Variance £m	Variance commentary
Strategy, Policy and Performance (SPP) Savings slippage	0.5	The restructure needed to save £0.6m through centralisation of SPP teams was delayed hence the overspend (due to slippage in savings).
Registrars Service Not generating as much income as we had hoped	0.1	The new registrar’s service model, with some additional chargeable services was introduced in 2016/17 so that we can generate additional income and help meet the Councils budget gap. We are not generating as much income as we had hoped hence the overspend. We are looking at ways to reduce costs and increase charges for some of our more popular services in line with competitors to further reduce the level of overspend in 2018/19.

Other comments

Other Services	There are a number of smaller overspends in some areas (Information Governance) that has been covered through small underspends in other areas (Communications – Campaigns budget).
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£m	Outturn Variance	Annual Figures		Figures to 31 Mar. 2018	
		Revised Budget	Forecast Outturn Position (before Reserves)	Reserve Adjustments	Forecast Outturn Position (after Reserves)
Corporate	(10.7)	4.5	0.7	(6.9)	(6.2)

Variance commentary

Corporate and Central budgets These are provisions for unforeseen events (contingencies) and Council-wide budgets for savings, growth and inflation. The Contingency is currently £3.1m and has offset overspending in other areas described above.

Corporate / Central Financing Additional Treasury Management income and reduced capital financing costs against the council’s Minimum Revenue Provision budget have been achieved due to delays in delivering the council’s planned capital programme during the year.

£m	Outturn Variance	Revised Budget	Outturn	Adjustments	Reported Position
HRA	(20.5)	12.0	(8.5)	12.0	(8.5)

A £20.5m underspend is projected in the Housing Revenue Account (HRA) with the major variances being:

(in numerical descending order)	Variance £m	Variance commentary
Capital Financing Charges / Depreciation	2.7	Statutory changes in the method for the calculation of HRA depreciation have increased charges significantly during 2017/18. The effect is partly offset by a reduction in capital financing charges. Although a charge to the revenue account, the depreciation is held in the Major Repairs Reserve to finance HRA capital expenditure relating to existing housing stock. The overall effect therefore is that the resources are now held for HRA capital purposes rather than revenue.
Dwelling and Non-Dwelling Rents / Tenant and Leaseholder Service Charges	(0.7)	Rent and service charge income exceeded the budget of £90.4 million. Dwelling rents were higher as a result of less properties being sold under Right to Buy regulations than anticipated, although this was partly offset by the loss of rent resulting from a fire in June 2017 at one of the Council's housing blocks. Rent reviews of commercial properties have resulted in extra non-dwelling rent being recovered.
Bad Debt Provision Contributions	(1.8)	The successful recovery of historic arrears, particularly in respect of leaseholder service charges, means that the bad debt provision that the Council holds can be reduced by £1.2 million. The HRA budget assumed that an increase of £600,000 in the provision would be required.
Revenue Contribution to Capital Outlay (RCCO)	(21.4)	The Council adopted a capital estimate of £27.3m on October 6th 2015 to finance the purchase of former social housing units within the borough. The scheme was funded from retained capital receipts of £8.2m with the balance of £19.1m financed from HRA capital resources.
		Cabinet, on 30th January 2018, approved the use of the acquired properties as temporary accommodation within the General Fund rather than the HRA, meaning that the remaining uncommitted budget of £26.2m within the HRA capital programme was no longer required for this purpose. This will

enable HRA resources of £18.3m (representing the 70% Council contribution required to support the use of retained receipts towards funding of the scheme) to be used to finance other HRA initiatives; either the development of new housing supply or capital works to the Council's existing dwelling stock, including fire safety works. The review of the HRA long term business plan will take account of the overall level of resources available including the use of the HRA balances in support of need within the HRA.

When considered in conjunction with the slippage on the Better Neighbourhoods element of the HRA capital programme, a significantly reduced level of HRA revenue resources were required to finance the capital programme in 2017/18, with an RCCO of £2.2 million being applied rather than the budgeted £23.6 million.

Earlier this year, we set aside £21m for specific mayoral projects to improve outcomes for residents and businesses. They include projects to improve employment opportunities for residents, in particular targeting vulnerable groups such as young people, care leavers, residents over 50 and women and improve the local environment and tackle poverty within the borough through the Mayors Tackling Poverty fund.

See Appendix 4 for projects and progress.

Some schemes are already underway, and our budgets reflect this. Others are being developed and will be included in future budgets.

Savings

Target for year £26.1m

Total target for 2017-18 is £26.1m (£20.4m relates to approved savings as part of the 2017-18 budget setting process, and £5.7m as a result of previous year savings not delivered)

Savings Progress

£m	Total 'red'	Slippage to future yrs	At risk of non-delivery	Over Delivery	Savings Achieved	Total target	Delivered/ cashed already
	A = B + C - D	B	C	D	E	F = A + D + E	
	✘	✘	✘	✓	✓		
HAC	1.5	0.8	0.7		5.5	7.0	5.5
Place	1.2	0.8	0.4		1.4	2.6	1.5
All	(2.2)	1.3		(3.5)	12.0	9.8	12.3
Resources	1.0	1.0	-		1.5	2.5	1.3
Children's Services	1.0	0.7	0.3		2.5	3.5	2.2
Governance	0.7	0.7	-		0.1	0.8	0.1
Total	3.3	5.3	1.5	(3.5)	23.1	26.1	22.9

Key for symbols

tick: a higher level of confidence that savings are on track to be delivered.

cross: either timing issues, i.e. slippage into future years, or at risk of non-delivery.

Full details of the position of individual directorate savings targets can be found in appendix 4

This section shows the amount of money we have collected from Business Rates and Council tax payers, and the split between the amount that is retained by the Council to fund its services and the amounts paid over to central and government and the GLA.

National non Domestic Rates (NNDR)

We budgeted to collect £434m in Business Rates. In total for 2017/18 we have collected £444m with £13m relating to previous years

We collected £444m in 2017/18.

This represents a 99% collection

NNDR is split between

GLA 37%,
Government 33%,
LBTH 30%

Council Tax

We budgeted to collect £117m in Council Tax, we actually collected £116.m this equates to a 99% collection

We collected £116m for 2017/18.

We also have historic Council tax debt of £17m at the end of last year. Of this we have collected £4m or 14%. This is a little lower than we would expect, but we have had to make a large refund during the year.

CT is split between

Government 27%,
LBTH 73%

We have £516m of usable reserves on the Balance Sheet, which is an increase of 38m on the 2016/17 balance.

£222.8m are revenue reserves. The remaining £292.9 are capital reserves.

The balance of reserves is broken down as follows

Earmarked Reserve	2017/18 £m	2016/17 £m	Reason for Movement
General Fund	33.3	31.7	Improved outturn position.
Housing Revenue Account	47.6	39.1	Reduced contribution from revenue account to fund capital works.
Earmarked reserves	118.6	134.6	Application for agreed purposes
Schools reserves	23.4	24.7	School reserves used during year
Capital receipts reserve	194.6	156.8	Additional housing Right to Buy receipts and asset sales.
Capital grants unapplied	92.7	82.0	Grants received held to fund spend in future years
Major repairs reserve	5.5	9.5	
	515.7	478.4	

General Fund

The Council's General Fund Balance has increase by £1.5m

£25m has been used from the council's earmarked reserves.

£10m has been used from the council's transformation reserve in support of changes through its smarter together programme, £6m in support of the Mayors investment priorities including resources to assist in tackling poverty and for the provision of Free School Meals. £2m has been applied to upgrade the Council's IT systems, and almost £3m has been used to finance expenditure for the new Town Hall. School balances have reduced by £1.3m.

There have also been contributions to other earmarked reserves

Additional payments of £5m from the New Homes Bonus have been retained to support future house building programmes and there have also been additions to the ring-fenced reserves for the Public Health Grant (£1.3m) and the Housing Revenue Account (£8.5m) and for the Insurance and schools Maternity reserves.

Overall Position

The Council had £466m of investments at 31st March 2018. This comprises of £442m (reported in the financial statements) supporting the general fund and £24m relating to the Pension Fund.

We have £466m of investments

We currently have 8.0% of the total portfolio investments, held in Money Market Funds to provide liquidity and to diversify risk. Almost 50% of the outstanding investments have less than 3 months to mature. Only £52m (11%) of investments are held for periods longer than 12 months.

We are working with our advisors to develop a strategy which improves returns without being too risky; this is reflected in our Treasury Management Strategy document and will be the subject of discussions with the Audit Committee.

Benchmarking

We compare favourably for the return we get from our internally managed funds, but at present we do not hold external investments

According to the information we receive from our advisors Arlingclose, we are out performing both a group of London councils, and a group of national local authorities (both averaging 0.48% on internally invested funds). We are looking at alternative approaches to retain and protect the capital value of the investment, with our Treasury Management advisors investigating options which will balance the risks and rewards.

Inflation

Inflation is eroding the value of our investments.

At the moment the Consumer Prices Index (CPI) inflation is running at 2.5%, and therefore the average return of 0.72% is significantly lower. This means that the future value of the funds invested today will be less.

Pension fund**Overall Position to 31st March 2018**

Over the year the fund value has increased by £113m to £1.48bn, which should mean an improvement on the 82.8% funding level from last year. We are awaiting confirmation from the actuary on this funding level improvement which should show the funding level is in excess of 90%

The pension committee receive quarterly updates on the level and administration of the pension fund. The year end position will be reported to the July meeting of the Pension Committee.

Debtors		31 March 2018	30 March 2017	
		£'000	£'000	
Individuals, Companies and Organisations who own us money	Central government bodies	31,218	21,669	Housing Benefit
	Other local authorities	186	3,320	No Health Authority Debtors in 17/18
	Other entities and individuals	55,498	52,661	
	Payments in advance	3,708	2,837	
		<u>90,610</u>	<u>80,487</u>	

Creditors		31 March 2018	30 March 2017	
		£'000	£'000	
Individuals, Companies and Organisations who we owe money to.	Central government bodies	10,803	29,330	Housing Benefit
	Other local authorities	8,432	8,871	
	Other entities and individuals	67,865	61,174	
	Accruals	50,245	40,292	
	Receipts in advance	20,641	14,487	
	<u>157,986</u>	<u>154,154</u>		

The originally approved capital budget for 2017/18 amounted to £216.3m. £103.2m General Fund schemes and £113.1m HRA schemes. Subsequently a further £17.4m was added in respect of unspent capital resources from the previous year. During the year this was revised downwards by £50.8m to £182.9m (£127.6m GF and £55.3m HRA). Actual expenditure for General Fund schemes was £88m; around 70% of the revised programme. For the HRA actual expenditure was £34.5m; 62% of the revised programme.

Capital expenditure: Table 13.1

	Variance for year	Spent to date vs Budget		This year's fig (£m)	
		This year	Last year	Annual budget	Spent to date
		£m	%	%	£m
	A = E-D	B = E/D	C	D	E
Housing Revenue Account	(20.8)	62%	87%	55.3	34.5
Corporate	(6.4)	0%	0%	6.4	-
Children's Services	(8.7)	68%	85%	26.9	18.2
Place	(22.1)	76%	86%	90.5	68.4
Health, Adult, Communities	(2.0)	40%	57%	3.3	1.3
Resources	(0.3)	24%	54%	0.4	0.1
Total	(60.3)	67%	82%	182.9	122.5

We've spent 67% of budget, compared to 82% last year. We are reviewing the extent to which the variance of £60.3m will need to be spent in future years. Below is a table showing how the capital expenditure was funded during 2017/18 together with the detail of significant variances.

Capital expenditure: **Table 13.2**

Capital Spend 2017/18	Funding sources used for capital spend						Capital Receipts
	Grants and contributions	Developers' contributions (s106 and CIL)	Borrowing	Funding from		Capital Receipts	
				revenue budgets or reserves	HRA Major Repairs Allowance		
£m	£m	£m	£m	£m	£m	£m	
Housing Revenue Account	34.5	9.1	-	0.1	2.2	22.0	1.1
Corporate	-	-	-	-	-	-	-
Children's Services	18.2	13.6	4.3	-	0.3	-	-
Place	68.4	2.3	2.0	36.8	8.1	-	19.2
Health, Adult, Communities	1.3	-	1.3	-	-	-	-
Resources	0.1	-	0.1	-	-	-	-
Total	122.5	25.0	7.7	36.9	10.6	22.0	20.3

variance
£m

Housing Capital Programme	(13.4)	The variance of £13.370m is explained by: <ul style="list-style-type: none"> • £9.832m reduction in estimated spend on Decent Homes backlog and 38 of the Better Neighbourhood blocks due to changes in scope • £2.992m delays in Mechanical & Electrical works caused by issues with planning and DES options. • £1.029m slippage on a range of other projects. • This is offset by urgent Fire Safety works giving rise to £0.483m overspend
Corporate Budget Provision for Infrastructure Delivery	(6.4)	This relates to budget provision for allocations made under the Infrastructure Delivery Framework (IDF) Process. Amounts will be moved to Directorates as allocations are approved, and spend projections will be added accordingly. Any unallocated amounts in the current year will be rolled forward to future years.
Establish a Housing Wholly-Owned Company	(6.0)	This represents the Council's proposed equity investment in Seahorse Homes – the Council's wholly owned housing company. It is likely to be advanced in 2018/19.
Transport for London (TfL) schemes	(3.3)	Consultation outcomes caused delays in completion of the programme, work re-scheduled for 2018/19. TfL agreed £1.1m of 2017/8 LIP funding be carry forward into 2018/19 as part of the reprioritisation of funding in the programme. Other funding issues resulted in the removal of approx. £940k funding for TfL Greenways/ Quietways schemes not to proceed as planned.
School expansion schemes	(3.3)	For Raines Foundation School; due to delay in agreeing to release S106 monies, the Diocese were not able to get to Planning stage and Procurement as originally programmed within the PID. Therefore the project has slipped including the forecasted spend of 1.264 million. For St Paul's Way Trust; credit of 770k for contract payment received at the beginning of Q4 for contract overpayment made in the previous financial year, has been offset against this year's expenditure. This was not taken into account during Q3 forecasting (budget recently increased was to cover previous and future stamp duty costs).

Parks	(2.8)	The Bartlett Park project is the scheme which is responsible for the majority of this underspend. There has been a planning decision delay.
Establish a Housing Community Benefit Society	(2.5)	This represents the S106 resources allocated for use by the Community Benefit Society. It is likely to be advanced in 2018/19.
New Housing Supply – On Site	(2.3)	The 17-18 budget included £3m for Watts Grove. The scheme is now complete, and although final costs will be incurred in 18-19, it is anticipated that the scheme will be delivered for approximately £700k under budget. The extension budget (£1.2m) will fully slip into 18/19.
Purchase of properties for use as Temporary Accommodation	(2.2)	A number of buybacks that were planned to be purchased have slipped into Q1 of 18/19
Blackwall Reach	(2.1)	The CPO & the majority of buybacks and tenant decants have completed in previous years to enable Phase 2 of Blackwall Reach Regeneration Programme. The bulk of the remaining spend will take place as part of Phase 3 land assembly, with 6 homeowners still to buy back (c. £2.5m), these should be anytime between now and 2022. All 6 will be contacted this year regarding vesting.

Capital receipts from sale of Housing and General Fund assets

Capital receipts: Table 13.3

	This year
	£m
Dwellings sold under Right to Buy (RTB)	
Receipts from RTB sales	27.2
Less: poolable amount paid to DCLG	(1.7)
Sale of other HRA assets	
Preserved Right to Buy receipts	2.5
43 Saltwell Street	0.02
9 Gascoigne Place	0.03
Sale of General Fund assets	
255-279 Cambridge Heath Rd (LEB building)	30.2
Sovereign Court (annual premium for change of use consent)	0.3
Total	58.5

Receipts shown gross before costs of sale are deducted

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

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APPENDIX - CAPITAL Q4 Outturn 2017/18

Directorate	Latest Budget 2017/18 (£m)	Spend to Q4 Outturn 2017/18 (£m)	Outturn Variance for 2017/18 (£m)	Outturn Variance for 2017/18 (%)	2018/19 Budget (£m)	2019/20 and Future Years Budget (£m)	Total Future Years Budget (£m)	Spend in previous years for current projects (£m)	Total Budget - All Years (£m)	Total Projection - All Years (£m)
Health, Adults and Communities	3.322	1.345	-1.977	-60%	2.550	8.164	10.714	2.453	16.489	16.489
Children's Services	26.896	18.179	-8.717	-32%	7.905	40.162	48.067	51.846	126.809	126.809
Place	90.542	68.398	-22.144	-24%	40.745	209.470	250.215	45.812	386.569	386.569
Housing Revenue Account (HRA)	55.323	34.527	-20.796	-38%	47.162	198.662	245.824	182.072	483.219	483.219
Resources	0.367	0.087	-0.280	-76%	0.500	1.000	1.500	0.776	2.643	2.643
Corporate	6.415	0.000	-6.415	-100%	17.000	0.270	17.270	0.000	23.685	23.685
Grand Total	182.865	122.536	-60.329	-33%	115.862	457.728	573.590	282.959	1,039.414	1,039.414

Directorate	Programme	Current Year						Future Years			All Years (inc Future and Past)		
		Latest Budget 2017/18 (£m)	Spend to Q4 Outturn 2017/18 (£m)	Spend to date as % of annual budget	Outturn Variance for 2017/18 (£m)	Outturn Variance for 2017/18 (%)	Explanations for Outturn Variance	2018/19 Budget (£m)	2019/20 and Future Years Budget (£m)	Total Future Years Budget (£m)	Spend in previous years for current projects (£m)	Total Budget - All Years (£m)	Total Projection - All Years (£m)
Children's	Mayor's Priority - Parks and Open Spaces	0.017	0.015	88%	-0.002	-12%		0.173	0.060	0.233	0.000	0.250	0.250
Children's	Parks	3.593	0.799	22%	-2.794	-78%	The Bartlett Park project is the scheme which is responsible for the majority of this underspend. There has been a planning decision delay.	1.259	3.698	4.957	2.726	11.276	11.276
Children's	Conditions and Improvement	8.608	7.218	84%	-1.390	-16%	Some new projects such as Bangabandhu - Roofing Works Phase 3 (500k) and Mamer - Roofing Works Phase 2 (100k); were approved late in Q4 to initiate works, but the main works are due to commence in 18/19.	1.500	1.500	3.000	4.599	16.207	16.207
Children's	Bishop Challoner	0.000	0.000	0%	0.000	0%		0.000	0.590	0.590	0.010	0.600	0.600
Children's	Provision for 2 year olds	1.428	0.264	19%	-1.164	-81%	For Raines Foundation School; due to delay in agreeing to release S106 monies, the Diocese were not able to get to Planning stage and Procurement as originally programmed within the PID. Therefore the project has slipped including the forecasted spend of 1.264 million.	0.000	0.000	0.000	1.319	2.747	2.747
Children's	Culture	0.589	0.322	55%	-0.267	-45%	Pocket Parks have not spent much capital money this financial year. Victoria Park pools playground not spent to cash limit this financial year.	1.206	0.500	1.706	0.678	2.973	2.973
Children's	Basic Need/Expansion	12.662	9.562	76%	-3.100	-24%	For St Paul's Way Trust; credit of 770k for contract payment received at the beginning of Q4 for contract overpayment made in the previous financial year, has been offset against this year's expenditure. This was not taken into account during Q3 forecasting (budget recently increased was to cover previous and future stamp duty costs).	3.767	33.813	37.581	42.513	92.755	92.755
Children's	Corporate	26.896	18.179	68%	-8.717	-32%		7.905	40.162	48.067	51.846	126.809	126.809
Children's	Corporate - Indicative Schemes - Other	0.000	0.000	0%	0.000	0%		17.000	0.270	17.270	0.000	17.270	17.270
Corporate	Infrastructure Delivery Budgetary Provision	6.415	0.000	0%	-6.415	-100%	This relates to budget provision for allocations made under the Infrastructure Delivery Framework (IDF) Process. Amounts will be moved to Directorates as allocations are approved, and spend projections will be added accordingly. Any unallocated amounts in the current year will be rolled forward to future years.	0.000	0.000	0.000	0.000	6.415	6.415
Corporate	Corporate Total	7.005	0.322	5%	-6.683	-95%		18.206	0.770	18.976	0.678	26.659	26.659
Corporate	Tele Care/Telehealth Equipment	0.097	0.000	0%	-0.097	-100%	No requirements were identified for action in 2017-18.	0.000	0.000	0.000	0.275	0.372	0.372
HAC	Public Health	3.220	1.341	42%	-1.879	-58%	Fit out of William Cotton Place has been completed, to enable re-provision of St Paul's Way practice, providing 13 clinical rooms serving over 11,000 patients. Maximising Health Infrastructure - Three projects have been completed (Island Health, Jubilee and Mission). PIDs have been agreed for commencement in 2018-19 of Barkantone Health Centre, Wapping Health Centre, Blithedale Health Centre and Limehouse Health Centre. Review of the Green Grid Strategy has occurred. Healthy Lifestyles projects to improve landscaping and access are being scoped for delivery in future years. Improvements to Health Infrastructure - PIDs have been agreed for Goodman's Fields and Sutton Wharf.	2.550	8.164	10.714	1.948	15.882	15.882
HAC	Occupational Therapy Suite	0.001	0.000	0%	-0.001	-100%	Project has been completed.	0.000	0.000	0.000	0.139	0.140	0.140
HAC	Condition	0.004	0.004	97%	-0.000	-3%	Project has been completed.	0.000	0.000	0.000	0.091	0.095	0.095
HAC	HAC Total	3.322	1.345	40%	-1.977	-60%		2.550	8.164	10.714	2.453	16.489	16.489
HRA	Housing Capital Programme	41.724	28.354	68%	-13.370	-32%	The slippage £13.370m is explained by: • £9.832m reduction in estimated spend on Decent Homes backlog and 38 of the Better Neighbourhood blocks due to changes in scope • £2.992m delays in Mechanical & Electrical works caused by issues with planning and DES options. • £1.029m slippage on other projects over programmed. • This is offset by urgent Fire Safety works giving rise to £0.483m overspend	25.480	94.570	120.050	134.246	296.020	296.020
HRA	Ocean Estate Regeneration	0.866	0.861	99%	-0.005	-1%		0.000	0.000	0.000	2.550	3.416	3.416
HRA	Blackwall Reach	2.748	0.648	24%	-2.100	-76%	The CPO & the majority of buybacks and tenant decants have completed in previous years to enable Phase 2 of Blackwall Reach Regeneration Programme. The bulk of the remaining spend will take place as part of Phase 3 land assembly, with 6 homeowners still to buy back (c. £2.5m), these should be anytime between now and 2022. All 6 will be contacted this year regarding vesting.	1.152	0.000	1.152	2.516	6.416	6.416
HRA	Fuel Poverty Works	0.040	0.011	28%	-0.029	-72%	No further spend is expected for Fuel Poverty Works.	0.400	0.000	0.400	3.867	4.307	4.307
HRA	Short Life Properties	0.176	0.026	15%	-0.150	-85%	Scheme has finished, however there are payments to be made, in relation to final accounts. This is expected to be finalised in 18-19	0.000	0.000	0.000	1.525	1.700	1.700
HRA	Pipeline Schemes (1-4-1)	2.231	0.466	21%	-1.765	-79%	New Pipelines are currently being identified and are under review	1.130	0.000	1.130	4.190	7.550	7.550
HRA	New Supply - Budget Provision	0.000	0.000	0%	0.000	0%		0.000	23.092	23.092	0.000	23.092	23.092
HRA	Buybacks 1-4-1 Receipts	0.000	0.082	0%	0.082	0%		0.000	0.000	0.000	0.981	0.981	0.981
HRA	New Supply - On site	4.239	1.953	46%	-2.286	-54%	The 17-18 budget included £3m for Watts Grove, the scheme is now complete, and although final costs will be incurred in 18-19, it is anticipated that the scheme will be delivered for approximately £700k under budget. The extension budget (£1.2m) will fully slip into 18/19.	0.000	0.000	0.000	29.039	33.278	33.278
HRA	New Supply - Pre construction	3.100	2.113	68%	-0.987	-32%	Start on Sites now anticipated in 2018/19, with resources carried forward as necessary.	14.000	78.400	92.400	3.159	98.659	98.659

Directorate	Programme	Current Year					Future Years		All Years (inc Future and Past)		
		Latest Budget 2017/18 (£m)	Spend to Q4 Outturn 2017/18 (£m)	Spend to date as % of annual budget	Outturn Variance for 2017/18 (£m)	Outturn Variance for 2017/18 (%)	Explanations for Outturn Variance	2018/19 Budget (£m)	2019/20 and Future Years Budget (£m)	Spend in previous years for current projects (£m)	Total Budget Projection - All Years (£m)
HRA	Community Benefit Society - 1-4-1 receipts	0.000	0.000	0%	0.000	0%		4.500	0.000	4.500	4.500
HRA	Mayor's Priority - Housing	0.200	0.014	7%	-0.186	-93%	This Mayor's Priority scheme funds a 3 year programme to introduce new off street parking arrangements on housing estates. The use of resources are flexible between years.	0.500	2.600	3.100	3.300
HRA Total		55.323	34.527	62%	-20.795	-38%		47.162	198.662	245.824	483.219
Place	Contaminated Land Works	0.148	0.085	57%	-0.063	-43%	Pending final survey invoices.	0.000	0.212	0.212	0.504
Place	ICT Solution - Handheld Devices	0.424	0.051	12%	-0.373	-88%	Programme of works slipped to 2018-19 onwards.	0.000	0.000	0.000	0.550
Place	TfL Schemes	5.827	2.493	43%	-3.334	-57%	Consultation outcomes caused delays in completion of the programme, work re-scheduled for 2018/19. TfL agreed £1.1m of 2017/8 LIP funding be carry forward into 2018/19 as part of the re-orientation of funding in the programme. Other funding issues resulted in the removal of approx. £940k funding for TfL Greenways/Quietways schemes not to proceed as planned.	2.100	3.450	5.550	20.256
Place	Public Realm Improvements	0.906	1.067	118%	0.161	18%	Street lighting programme accelerated.	3.038	11.700	14.738	18.300
Place	Transport S106 Funded Schemes	2.322	0.378	16%	-1.943	-84%	This relates to TfL funded work, where schemes are dependent on Developers timetables and have been delayed, the funding will be reviewed and the majority of underspend will slip into 2018/19.	1.006	0.856	1.862	6.021
Place	OPTEMS	0.091	0.066	73%	-0.025	-27%	These schemes are also managed concurrently within the TfL & S106 work programme. The delays that impacted on the T & H Capital programme generally also had an effect on the OPTEMS funded work. The budgets will be reviewed and amended accordingly.	0.030	0.000	0.030	0.548
Place	PLACE - Mayoral Priority Growth 2017-18 to 2019-20	0.050	0.000	0%	-0.050	-100%	Report approved at the grant determination panel in January 2018. The communication plan is being developed to instigate the bidding process. Project re-profiled to spend from 2018-19.	0.050	0.000	0.050	0.100
Place	Private Sector Improvement Grants	0.030	0.086	290%	0.057	190%	Distribution of grant is demand and need led, unused resources will be carried forward into future years	0.100	0.900	1.000	1.371
Place	Disabled Facilities Grants	1.417	1.130	80%	-0.287	-20%	Distribution of grant is demand and need led, unused resources will be carried forward into future years	1.400	4.500	5.900	7.536
Place	Section 106 Passported Funding	2.182	1.000	46%	-1.182	-54%	Some slippage on larger schemes due to a re-profiling of budget in conjunction with NHS partners	3.365	0.125	3.490	7.339
Place	S106 Schemes	2.096	0.646	31%	-1.450	-69%	Budgetary provision for Infrastructure Delivery Board to allocate funding for schemes in year, resources will carry forward.	0.641	0.000	0.641	3.032
Place	Whitechapel Civic Centre	3.943	3.395	86%	-0.549	-14%	The underspend is attributed to deferral of the start of the Pre-Construction Services Agreement (due to delays in procurement) and a consequential delay in entering into the Enabling Works contract. The slippage will be recovered by the end of the 2018/19	9.263	95.564	104.827	110.147
Place	Conversion of council buildings to temporary accommodation	0.600	0.090	15%	-0.510	-85%	Buildings have been identified and works are under way	2.363	0.000	2.363	2.962
Place	Community Hubs/Buildings	0.895	1.075	120%	0.180	20%	More extensive works required in year funds brought forward from 18/19	1.300	0.950	2.250	3.160
Place	Registered Provider Grant Scheme (from 1-4-1)	2.692	1.967	73%	-0.726	-27%	External Schemes have met with delays, new end dates have been agreed with external partners	4.495	3.943	8.438	12.066
Place	Purchase of Properties for use as temporary accommodation	53.935	51.730	96%	-2.205	-4%	A number of buybacks that were planned to be purchased have slipped into Q1 of 18/19	9.300	83.270	92.570	149.000
Place	Thriving High Streets Pilot Programme	0.200	0.149	74%	-0.051	-26%	Works have slipped into year 2 of this programme.	0.800	0.000	0.800	1.000
Place	Establish a Wholly Owned Company	6.000	0.000	0%	-6.000	-100%	This represents the Council's equity investment in the housing company. It is likely to be advanced in 2018/19	0.000	0.000	0.000	6.000
Place	Establish a Community Benefit Society	2.500	0.000	0%	-2.500	-100%	This represents the S106 resources and is allocated for use by the CBS. It is likely to be advanced in 2018/19	0.000	0.000	0.000	2.500
Place	PDC 229 Bethnal Green Road	1.670	1.670	100%	0.000	0%		0.000	0.000	0.000	1.670
Place	CCTV	0.135	0.000	0%	-0.135	-100%		0.000	0.000	0.000	0.310
Place	BSF Main Build	0.000	0.000	0%	0.000	0%		0.000	0.000	0.000	21.322
Place	BSF ICT Infrastructure	0.978	0.000	0%	-0.978	-100%	The BSF programme is finished and final accounts are being concluded. Once this is resolved a proposal will be brought forward to utilise any remaining resources. It is anticipated this will happen in 18-19.	0.000	0.000	0.000	3.878
Place	Mayor's Priority - Public Realm Improvements	1.000	0.545	54%	-0.455	-46%	Programme of works approved late in the financial year. Orders were issued but work not all commenced or completed. The budget will be re-profiled into 2018/19.	1.000	4.000	5.000	6.000
Place	Investment works to LBTH Assets	0.302	0.768	254%	0.466	154%	Funds have been brought forward from future years, as works have been delivered earlier than anticipated.	0.495	0.000	0.495	0.797
Place	WorkPath / Young WorkPath	0.200	0.007	4%	-0.193	-96%	Delayed start, funds will slip into 18/19	0.000	0.000	0.000	0.200
Place Total		90.542	68.398	76%	-22.144	-24%		40.745	209.470	250.215	386.569
Resources	Idea Store	0.367	0.087	24%	-0.280	-76%	The London Libraries Consortium (LLC) tender timescale has slipped further, a decision on a new Library Management System (LMS) is now expected in April 2018. Once we know the system we will be moving to, we can engage hardware suppliers with our spec.	0.000	0.000	0.000	1.143
Resources	RESOURCES - Mayoral Priority Growth 2017-18 to 2019-20	0.000	0.000	0%	0.000	0%		0.500	1.000	1.500	1.500
Resources Total		0.367	0.087	24%	-0.280	-76%		0.500	1.000	1.500	2.643
Grand Total		182.866	122.536	67%	-60.329	-33%		115.862	457.728	573.590	1,039.414

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CONTROL BUDGET 2017-18

	Total General Fund	Health, Adults & Community	Children's Services	Place	Governance	Resources	Corporate Costs and Central Financing
Original Budget 2017-18	338,895,605	130,747,901	98,424,858	70,292,015	11,761,988	15,067,990	12,600,853
Reversal of Approved Public Health Savings	0	678,000					(678,000)
Transfer of Young People Contracts Budget HAC to CHI	0	(1,115,890)	1,115,890				
Transfer of Free School Meals Allocation from HAC to CHI	0	(2,000,000)	2,000,000				
Transfer of PMO and SPP Budgets from CHI to GOV & RES	0		(1,186,170)		916,053	270,117	
Transfer of Parking Control Account budgeted income from CEN to PLA	0			(9,104,000)			9,104,000
Transfer of Kennal Park from GOV to PLA	0			100,000	(100,000)		
Smarter Together Transformation Programme budget	0					5,780,032	(5,780,032)
Drawdown of Specific Reserves - SEND Grant	0		113,696				(113,696)
Approved Growth 2017-18	0	1,369,292	946,000	480,000			(2,795,292)
ICT Transformation Reserve allocation	0					3,100,000	(3,100,000)
Savings Transferred - Finance & SPP	0				(600,000)	(700,000)	1,300,000
Inflation Awarded - Non Pay	0	1,923,000	371,000				(2,294,000)
Inflation Awarded - Pay plus LLW	0	202,736	399,557	376,274	108,036	287,745	(1,374,348)
Estimated increase in Pension Contribution - 3.4%	0	612,422	1,213,246	1,142,548	328,051	873,733	(4,170,000)
Improved Better Care Fund Grant Awarded	7,017,000	7,017,000					
Apprenticeship Levy	0	84,985	156,935	137,240	41,800	103,965	(524,925)
Centralisation of Annual Residents' Survey Budget	0		(12,000)	(6,000)	24,000	(6,000)	
Centralisation of Campaign Budget	0	(13,500)	(81,000)	(55,000)	191,500	(31,000)	(11,000)
Transfer relating to Theme 5 Community Engagement Cohesion & Resilience	0			(80,000)	80,000		
Transfer relating to Theme 4	0			(260,000)		260,000	
Inflation Awarded - Non Pay	0					88,000	(88,000)
Supporting Youth Services Projects	0		300,000				(300,000)
Technical Adjustment - Depreciation Charges	0		717,898	74,584		860	(793,342)
Growth Awarded - Waste Collection and Treatment	0			292,000			(292,000)
Increase to Business Rates Across Rate Payers Costs	0			496,500			(496,500)
Growth Awarded - ICT	0					580,000	(580,000)
Inflation Awarded - Non Pay (Place)	0			798,000			(798,000)
Transfer of Financial Assessment Cost Centres	0	(325,113)				325,113	
Prudential Borrowing Charges	0	(9,773)	(163,590)	(269,643)			443,006
Growth Awarded	0		750,500				(750,500)
Transfer 2017-18 - Unallocated (ALL003/17-18 Debt Mgt & RES001/17-18 Agency Staff)	0						-
Depreciation Charges	0		(6,479,990)	2,980		77,540	6,399,470
Senior Leadership Team	0	(8,041)	176,008	19,477	73,042	189,828	(450,314)
	0						
Total Adjustments	7,017,000	8,415,118	337,980	(5,855,040)	1,062,482	11,199,933	(8,143,473)
Revised Latest Budget 2017-18	345,912,605	139,163,019	98,762,838	64,436,975	12,824,470	26,267,923	4,457,380

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Capital Control Budget 2017-18

	Total £	Health, Adults & Community £	Children's Services £	Place £	Resources £	Corporate Account £	Housing Revenue Account £
Original Budget (Council, February 2017)	216,269,172	3,729,500	36,347,294	50,438,176	1,259,202	14,600,000	109,895,000
Slippage from 2016-17	17,377,769	1,580,169	2,648,516	1,179,524	103,702	4,158,922	7,706,936
Quarter 1 Total Adjustments	(1,901,978)	(1,820,456)	(802,096)	2,715,366	4,457	(2,289,858)	290,609
Quarter 2 Total Adjustments	(47,092,887)	-	(7,266,110)	(4,212,832)	-	(1,644,233)	(33,969,712)
Quarter 3 Total Adjustments	(3,164,802)	(167,000)	(4,812,474)	35,880,717	(1,000,000)	(4,465,950)	(28,600,096)
Council Approvals							
Basic Need/Expansion - St Paul's Way Trust School Expansion (21 February 2018)	300,000		300,000				
Basic Need/Expansion - Stepney - 6th Form Expansion (21 February 2018)	600,000		600,000				
Community Hubs/Buildings - TRAMSHED Digby Greenway Community Centre (21 February 2018)	40,000			40,000			
Cabinet Approvals							
Conversion of council buildings to temporary accommodation (10 January 2017)	37,000			37,000			
Decisions Delegated to Corporate Directors							
TfL Schemes - Hackney Road to Calvert Avenue (08 February 2018)	162,000			162,000			
TfL Schemes - Bus Priority Minor Works 1 - Hare Pub RMP201 (14 February 2018)	26,000			26,000			
TfL Schemes - Bus Priority Minor Works 2 - Completion of the removal of the crossing - Hackney Road / Yorkton Street RMP208 (14 February 2018)	8,000			8,000			
TfL Schemes - Bus Priority Minor Works 3 - Modified Loading Restrictions - Bethnal Green Road REL461 (14 February 2018)	4,000			4,000			
TfL Schemes - Bus Priority Minor Works 4 - New Clearway Road Markings at Bus Stop 29733 on Roman Road REL471 (14 February 2018)	2,000			2,000			
WorkPath / Young WorkPath - Watney Market (19 February 2018)	200,000			200,000			
Other Approvals/Adjustments							
Conditions and Improvement - PFI schools - Various - Urgent Works	(823,000)		(823,000)				
- Harry Gosling - Repair and replace H&C controls	16,000		16,000				
- Tullyflower - Update boiler controls	25,000		25,000				
- Napla - Replace H&C controls	40,000		40,000				
- Bland Green - Heating pipework	35,000		35,000				
- Valley - Toilet Refurbishment	42,000		42,000				
- Valley - Kitchen Canopy	20,000		20,000				
- Gogabandhu - Roofing Phase 3	500,000		500,000				
- Gogabandhu - Drainage Phase 2	45,000		45,000				
- Mamer - Roofing Phase 2	100,000		100,000				
Provision for 2 year olds	(42,270)		(42,270)				
- Rainbow Angels Nurseries & Learning Centres Ltd	42,270		42,270				
DDA Related Access Works	(52,000)			(52,000)			
- Bethnal Green Library Installation of lift to create DDA access to the 1st floor	52,000			52,000			
Carbon offsetting	(295,000)			(295,000)			
- Boiler Replacement Programme	75,000			75,000			
- Schools Carbon Reduction Programme - Boiler Replacements	140,000			140,000			
- Schools Energy Retrofit Programme	80,000			80,000			
Stepney Farm	(36,000)			(36,000)			
- Stepney City Farm Pathway Improvements	36,000			36,000			
Conversion of council buildings to temporary accommodation	(337,000)			(337,000)			
- Alliston House OAP Club	34,000			34,000			
- Anglia House OAP Club	30,000			30,000			
- Burnham St Community Centre	38,000			38,000			
- Cable Street Citizens Club	34,000			34,000			
- Clichy TRA	32,000			32,000			
- I. MacDougall House	35,000			35,000			
- Pauline House TRA	30,000			30,000			
- Ramar House TRA	20,000			20,000			
- Sims House Centre	28,000			28,000			
- Solander Gardens TRA	26,000			26,000			

Capital Control Budget 2017-18

	Total £	Health, Adults & Community £	Children's Services £	Place £	Resources £	Corporate £	Housing Revenue Account £
- Watney Market TRA	30,000			30,000			
Technical Adjustment (Rounding)	(172)			(172)			
Pipeline Schemes	(925,000)						(925,000)
- 99 St Paul's Way	250,000						250,000
- Brunton Wharf	(30,000)						(30,000)
- Lister & Treves	(60,000)						(60,000)
- Waterloo Gardens	735,000						735,000
- Sidney St Library	30,000						30,000
Quarter 4 Total Adjustments	1,378,828	-	900,000	478,828	-	-	-
Revised 2017-18 Budget	182,866,101	3,322,213	27,015,130	86,479,779	367,360	10,358,881	55,322,737

MTFS Savings Tracker 2017-20 as at 31 March 2018

Reference	Description	Directorate	Savings Achievement Status	2017-18 Status update				2018-19				2019-20			
				Savings target / £'000	Delivered / cashed / £'000	Variance - Slippage / (over) / £'000	Forecast Under / savings (over) RAG	Savings target / £'000	Slippage from previous year / £'000	Revised Savings target / £'000	Forecast Savings / £'000	Variance - Slippage / (over) / £'000	Savings target / £'000	Slippage from previous year / £'000	Revised Savings target / £'000
ADU001/17-18	Social Care Services for Older People	Health, Adults & Community	Savings Delivered / On Target	200	200	-	Green	300	300	300	500	500	500	500	-
ADU002/17-18	Community Equipment Service	Health, Adults & Community	Savings Delivered / On Target	179	91	88	Green	88	88	88	308	308	308	308	-
ADU004/17-18	Reshaping Reablement Services	Health, Adults & Community	Savings Delivered / On Target	64	64	-	Green	467	467	467	319	319	319	319	-
ADU005/17-18	Workforce Efficiencies in Adults Social Care	Health, Adults & Community	Savings Delivered / On Target	220	220	-	Green	220	220	220	-	-	-	-	-
ADU006/17-18	Substance Misuse	Health, Adults & Community	Savings Delivered / On Target	950	950	-	Green	50	50	50	-	-	-	-	-
ADU008/17-18	Day Opportunities Provision	Health, Adults & Community	Savings Delivered / On Target	50	50	-	Green	310	310	310	140	140	140	140	-
ADU009/17-18	Public Health - 0-19 Public Health Programme Savings	Health, Adults & Community	Savings Delivered / On Target	-	-	-	-	409	409	409	311	311	311	311	-
ADU010/17-18	Public Health - Adult Weight Management	Health, Adults & Community	Savings Delivered / On Target	48	8	40	Green	48	40	88	96	96	96	96	-
ADU011/17-18	Public Health - Community Development Programme	Health, Adults & Community	Savings Delivered / On Target	205	205	-	Green	50	50	50	-	-	-	-	-
ADU012/17-18	Public Health - Primary Care Prevention Programme	Health, Adults & Community	Savings Delivered / On Target	62	100	(38)	Green	30	(38)	(8)	(8)	(8)	(8)	(8)	-
ADU013/17-18	Public Health - Sexual Health Services	Health, Adults & Community	Savings Delivered / On Target	267	267	-	Green	158	158	158	100	100	100	100	-
ADU014/17-18	Public Health - Specialist Smoking Programme	Health, Adults & Community	Savings Delivered / On Target	96	103	(7)	Green	54	(7)	47	52	52	52	52	-
ADU016/16-17	Charging for community Social Care services	Health, Adults & Community	Savings Delivered / On Target	540	540	-	Green	-	-	-	-	-	-	-	-
ADU018/16-17	Improving focus on reablement for social care users	Health, Adults & Community	Savings Delivered / On Target	322	322	-	Green	-	-	-	-	-	-	-	-
ADU019/16-17	Working with the NHS to deliver jointly funded care packages	Health, Adults & Community	Savings Delivered / On Target	1,000	1,000	-	Green	-	-	-	-	-	-	-	-
CH003/17-18	Service Redesign - Safer Communities	Health, Adults & Children's Services	Savings Delivered / On Target	448	448	-	Green	-	-	-	255	255	255	255	-
CH002/17-18	Better support for families through early help, and reduction in social care demand	Children's Services	Savings Delivered / On Target	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	-
CH004/17-18	Integrating Employment Services for Young People	Children's Services	Savings Delivered / On Target	-	-	-	-	-	-	-	143	143	143	143	-
CH006/17-18	Regional Adoption Agency	Children's Services	Savings Delivered / On Target	-	-	-	-	250	250	250	250	250	250	250	-
CH005/16-17	Directorate support services- more efficient working	Children's Services	Savings Delivered / On Target	160	160	-	Amber	-	-	-	-	-	-	-	-
CH006/16-17	Review of Child and Adolescent Mental Health services (CAMHS)	Children's Services	Savings Delivered / On Target	50	50	-	Green	-	-	-	-	-	-	-	-
CLC035/15-16	Review of Arts Parks & Events Team Services	Children's Services	Savings Delivered / On Target	110	110	-	Green	-	-	-	-	-	-	-	-
ESC003/16-17	Directorate administration review	Children's Services	Savings Delivered / On Target	317	317	-	Amber	-	-	-	-	-	-	-	-
CLC001/17-18	Waste Management Contract Efficiencies	Place	Savings Delivered / On Target	1,030	1,030	-	Green	1,008	1,008	1,008	1,000	1,000	1,000	1,000	-
CLC003/17-18	Service Redesign - Safer Communities	Place	Savings Delivered / On Target	400	400	-	Green	-	-	-	-	-	-	-	-
CLC004/17-18	Smarter Working - Parking, Mobility & Transport Services Efficiencies	Place	Savings Delivered / On Target	-	-	-	-	300	300	300	-	-	-	-	-
D&R001/17-18	Responding to Competition in Planning	Place	Savings Delivered / On Target	68	68	-	Green	72	72	72	76	76	76	76	-
D&R002/17-18	Maximising use of technology in Housing Options Service	Place	Savings Delivered / On Target	-	-	-	-	-	-	-	300	300	300	300	-

Reference	Description	Directorate	Savings Achievement Status	2017-18			2018-19			2019-20					
				Delivered target / cashed	Variance - Slippage	Forecast Under / savings (over) RAG	Delivered target / cashed	Variance - Slippage	Forecast Under / savings (over) RAG	Delivered target / cashed	Variance - Slippage	Forecast Under / savings (over) RAG			
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
D68003/17-18	Purchase of Private Sector Units within the General Fund for use as Temporary Accommodation	Place	-	-	-	-	-	-	-	-	-	-	-	-	-
LP0010/15-16	Staffing and associated efficiencies	Governance	79	79	Green	-	-	Green	500	-	-	-	-	-	-
RES002/17-18	Benefits Service Admin Savings	Resources	450	450	Green	-	-	Green	525	525	525	525	525	525	525
RES004/17-18	Fund DHP through the Tackling Poverty Fund	Resources	725	725	Green	-	-	Green	-	-	-	-	-	-	-
RES028/15-16	More efficient working across Central Service (HR) and Payroll	Resources	78	78	Green	-	-	Green	-	-	-	-	-	-	-
ALL002/17-18	Fees & Charges	All	919	919	Green	-	-	Green	419	419	419	419	419	419	419
ALL003/17-18	Debt Management & Income Optimisation	All	3,000	4,650	Green	(1,650)	-	Green	3,000	3,000	3,000	3,000	3,000	3,000	3,000
ALL007/17-18	Corporate Management Review	All	500	500	Green	-	-	Green	-	-	-	-	-	-	-
ALL008/17-18	Treasury Management Efficiencies	All	1,500	3,367	Green	(1,867)	-	Green	500	500	500	500	500	500	500
ALL009/17-18	Consolidation of Business Support and Administration Functions	All	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ALL010/17-18	ICT Centralisation	All	-	-	-	-	-	-	-	-	-	-	-	-	-
ALL013/17-18	Revise Local Council Tax Reduction Scheme	All	1,400	1,400	Green	-	-	Green	-	-	-	-	-	-	-
	Savings Delivered / On Target		15,437	18,871	83	(3,577)		9,670	83	9,753	9,524	250	8,796	250	250
ADU003/17-18	Helping People with Learning Disability live Independently	Health, Adults & Community	736	552	184	Amber	-	Amber	582	184	766	619	619	619	619
ADU007/17-18	Improving Employment Support for Adults with Disabilities	Health, Adults & Community	164	-	164	Amber	-	Amber	55	164	219	100	100	100	100
ADU001/16-17	Review of Day Services for Older People	Health, Adults & Community	241	80	161	Green	-	Green	161	161	161	-	-	-	-
ADU007/16-17	Sharing Services with NHS Partners	Health, Adults & Community	521	321	200	Green	-	Green	200	200	200	-	-	-	-
CHI001/17-18	Youth Service Transformation	Children's Services	1,800	1,400	400	Amber	-	Amber	-	400	400	-	-	-	-
CHI003/17-18	Increasing the involvement of partners in Early Years services	Children's Services	125	-	125	Amber	-	Amber	1,204	125	1,329	1,079	1,079	1,079	1,079
CHI005/17-18	Better targeting of services for children with special educational need and disabilities (SEND)	Children's Services	100	100	100	Amber	-	Amber	300	100	400	740	740	740	740
CLC002/17-18	Income Optimisation Opportunities	Children's Services	40	-	40	Amber	-	Amber	300	40	340	40	40	40	40
CLC005/17-18	Culture, Learning & Leisure Service Efficiencies	Children's Services	160	139	21	Amber	-	Amber	250	21	271	271	271	271	271
CLC005/16-17	Alternative Service Delivery Model for Animal Warden Service	Place	160	160	160	Red	-	Red	160	160	160	160	160	160	160

Reference	Description	Directorate	Savings Achievement Status	2017-18			2018-19			2019-20				
				Savings target / cashed	Delivered / Slippage	Variance - Under / (over) delivery	Forecast / Savings target	Slippage from previous year	Variance - Slippage	Forecast / Savings target	Slippage from previous year	Variance - Slippage		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CLC006/16-17	Income Generation Opportunity from CCTV Network	Place	200	200	0	Red								
CLC007/16-17	Review of Enforcement Function- More Generic Working	Place	451	451	0	Amber								
CLC008/16-17	School Crossing Patrols to be delivered by Schools	Place	89	89	0	Amber								
DBR008/16-17	Generating more Income from council assets	Place	50	50	0	Amber								
ALL005/17-18	Consolidation of Strategy, Policy & Performance Functions	Governance	600	600	0	Amber								
LP002/15-16	Implementation of Registration Service new business model	Governance	80	80	0	Amber								
RES001/17-18	Human Resources	Resources	250	250	0	Amber								
RES005/17-18	Review and Revise Risk Management Service	Resources	90	45	45	Amber								
RES004/17-18	Centralisation of Finance	Resources	700	700	0	Amber								
RES001/17-18	Human Resources	All	1,500	1,500	0	Amber								
RES006/17-18	Functional Consolidation of Procurement	All	250	250	0	Amber								
ALL001/17-18	Review of Printing/ Scanning/ Use of Multi-Functional Devices (MFD's)	All	500	10	490	Amber								
ALL006/17-18	Local Presence / Contact Centre Review	All	600	600	0	Amber								
Savings Slipping but Achievable			9,407	4,047	5,160	200								
Not Deliverable / Not Achievable			593		593	Red								
ESCW	One-offs to carry forward	Health, Adults & Community			593	Red								
ESCW063/15-16	Additional restructure Adults OOH. To be linked to 3 other service challenges - ESCW17 65 866	Health, Adults & Community	62		62	Red								

Reference	Description	Directorate	Savings Achievement Status	2017-18			2018-19			2019-20									
				Savings target / cashed / £'000	Delivered / Variance - Slippage / £'000	Variance - Under / (over) delivery / £'000	Forecast / savings RAG	Status update	Savings target / £'000	Slippage from previous year / £'000	Revised Savings target / £'000	Savings target / £'000	Slippage from previous year / £'000	Revised Savings target / £'000	Forecast savings / £'000	Variance - Under / (over) delivery / £'000			
ESCW065/15-16	Additional restructure Adults OOH. To be linked to 3 other service Challenges - ESCW17/ 65 866	Health, Adults & Community	Not Deliverable / Not Achievable	62		62	Red	1. Not deliverable. Agreed to write off in 2018-19.											
CHI003/16-17	Undergraduate & PGCE bursaries	Children's Services	Not Deliverable / Not Achievable	33		33	Red	1. Not deliverable. Agreed to write off in 2018-19.											
CSF 4 (2012)	Consolidation of information systems- Single View of a Child	Children's Services	Not Deliverable / Not Achievable	255		255	Red	1. Not deliverable. Agreed to write off in 2018-19.											
ESCW066/15-16	Extension of day service to incorporate out of hours work. To be linked to 3 other service challenges - ESCW17/ 63 865	Children's Services	Not Deliverable / Not Achievable	51		51	Red	1. Not deliverable. Agreed to write off in 2018-19.											
CLC	One-offs to carry forward	Place	Not Deliverable / Not Achievable	200		200	Red	1. Not deliverable. Agreed to write off in 2018-19.											
	Not Deliverable / Not Achievable			1,256		1,256													
Total				26,100	22,918	5,243	(2,061)		16,561	5,243	21,804	21,564	761	(621)	14,674	761	15,435	15,185	250

MTFS Savings Tracker 2017-20 as at 31 March 2018 - Summary

2017-18		2018-19		2019-20	
Savings target * / cashed	Variance - Slippage	Forecast savings target	Variance - Slippage	Forecast savings target	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000

2017-18		2018-19		2019-20	
Savings target * / cashed	Variance - Slippage	Forecast savings target	Variance - Slippage	Forecast savings target	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000

2017-18		2018-19		2019-20	
Savings target * / cashed	Variance - Slippage	Forecast savings target	Variance - Slippage	Forecast savings target	Variance - Under / (over) delivery
£'000	£'000	£'000	£'000	£'000	£'000

Directorate	2017-18	2018-19	2019-20
Health, Adults & Community	7,030	5,521	792
Children's Services	3,201	2,176	686
Place	2,648	1,498	750
Governance	759	79	680
Resources	2,293	1,298	995
All	10,169	12,346	1,340

	717		
	339		
	400		
	-		
	-		
	(3,517)		

	21,804	21,564	761
	9,753	9,524	250
	12,051	12,040	511
	-	-	-
	21,804	21,564	761

	26,100	22,918	5,243
	15,437	18,871	83
	9,407	4,047	5,160
	1,256	-	-
	26,100	22,918	5,243

	250		
	250		
	-		
	-		
	525	525	
	7,119	7,119	
	15,435	15,185	250

	2,652	2,652	
	3,252	3,002	250
	1,887	1,887	
	-	-	
	525	525	
	7,119	7,119	
	15,435	15,185	250

	21,804	21,564	761
	9,753	9,524	250
	12,051	12,040	511
	-	-	-
	21,804	21,564	761

	26,100	22,918	5,243
	15,437	18,871	83
	9,407	4,047	5,160
	1,256	-	-
	26,100	22,918	5,243

Savings Achievement Status

Savings Delivered / On Target	250		
Savings Slipping but Achievable	250		
Not Deliverable / Not Achievable	-		
	250		

	250		
	250		
	-		
	250		

	250		
	250		
	-		
	250		

	250		
	250		
	-		
	250		

	250		
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	-		
	250		

	250		
	250		
	-		
	250		

	250		
	250		
	-		
	250		

Total

	250		
	250		
	-		
	250		


	250		
	250		
	-		
	250		

	250		
	250		
	-		
	250		

	250		
	250		
	-		
	250		

* Total savings £26.1m; Approved 2017-18 savings £20.396m & Historic savings carried forward £5.704m

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<p>CABINET</p> <p>27 June 2018</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Will Tuckley, Chief Executive</p>	<p>Classification: Unrestricted</p>
<p>2017-18 year-end Strategic Performance Monitoring</p>	

Lead Member	Mayor John Biggs
Originating Officer(s)	Sharon Godman, Divisional Director – Strategy, Policy & Performance Vicky Allen, Strategy, Policy & Performance Officer
Wards affected	ALL
Key Decision?	Yes
Forward Plan Notice Published	29 May 2018
Reason for Key Decision	Impact on Wards
Community Plan Theme	ALL

Executive Summary

This report details the year-end strategic plan action and strategic performance measure outturn at the end of the financial year 2017/18.

Recommendations:

1. Review and note the Strategic Plan actions and strategic performance measures (Appendix 1) year-end performance.

1. REASONS FOR THE DECISIONS

- 1.1 The council’s Performance Management and Accountability Framework sets out the process for monitoring the Strategic Plan and performance measures which are reported regularly to the Corporate Leadership Team and Cabinet.
- 1.2 This report promotes openness, transparency and accountability by enabling Tower Hamlets’ residents to track progress of activities that impact on their lives and on the communities they live in.

2. ALTERNATIVE OPTIONS

- 2.1 Cabinet can decide not to review the performance information. This is not

recommended as Members have a key role to review and challenge underperformance and also utilise performance information to inform resource allocation.

3. DETAILS OF THE REPORT

3.1 This report details the year-end strategic plan and strategic performance measure outturn at the end of the financial year 2017/18.

3.2 Performance Overview

3.3 This report notes the significant progress made this year in delivering good outcomes for residents in our three strategic priority outcome areas. 41% of strategic performance measures, which have a target and are reported in this period, achieved or exceeded the set target. 42% of measures reported in this period improved or maintained performance compared to last year.

- ***Creating opportunity by supporting aspiration and tackling poverty***

- 733 businesses received support this year;
- 994 residents supported by the WorkPath;
- 68% of children achieved Key Stage 2 standard – above the national average;
- Significant improvements in the rates of child protection visiting frequencies, timeliness of assessments, visits and child protection plan reviews.

- ***Creating and maintaining a vibrant, successful place***

- 50 on-street cycle parking spaces and secure residential parking spaces delivered' 90 hangar spaces and 90 spaces in a total of 8 communal cycle shelters;
- Facilitated energy switching for residents, saving an average of £157 per household;
- 720 affordable homes delivered; 286 were affordable social rented family sized and 146 were wheelchair accessible/adaptable.

- ***Working smarter together as one team with our partners and community***

- Achieved a budgeted council tax collection rate of 101.42%, council tax collection total was £114.5m, 10.5% more than last year;
- £30.3m additional business rates collected compared to last year;
- Held a successful Tower Hamlets Partnership summit attended by 350 senior managers from our partners;

3.4 Underperforming strategic performance measures and actions which have not yet completed will be subject to performance improvement activity through the relevant channels – the Performance Improvement Board or the Children's Services Improvement Board.

- 3.5 Members should note that the latest performance measure data up to the end of 2017/18 is not yet available for all measures. This is mainly because data is drawn from sources which publish in arrears. Some performance measure data is collected less frequently and therefore, latest data may relate to a previous period but is reported for 2017/18. The detailed performance measures report appended sets out further detail in relation to frequency of reporting and inclusion.

4. EQUALITIES IMPLICATIONS

- 4.1 The council's Strategic Plan and strategic performance measures are focused on meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets. In particular, strategic priorities include the reduction of inequalities and the fostering of community cohesion.
- 4.2 For example, the strategic performance measure set contains the measures "Proportion of people with mental health problems in employment"; "Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women"; and "Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents". Year-end data for 2017/18 shows that the employment gap for women and BME residents has not been met, however we are tackling employment inequalities through the WorkPath service which focuses on supporting those furthest from the labour market by offering training, support and job brokerage.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.

5.2 BEST VALUE (BV) IMPLICATIONS

- 5.2.1 Section 3 of the Local Government Act 1999 requires the council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of performance information and acting on the findings is an important way in which that obligation is being fulfilled.

5.3 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

5.3.1 The Strategic Plan contains a number of environmental milestones within Priority Outcome 2 “Creating and maintaining a vibrant, successful place” which includes our actions to improve air quality, reducing the impacts of traffic, and ensuring that the borough is clean to the best possible standards. By the end of the financial year, 187 secure residential cycle parking spaces have been delivered. There are nine schools which have benefitted from improvements to reduce carbon emissions achieving, a CO2 reduction of 62 tonnes (15%).

5.4 RISK MANAGEMENT IMPLICATIONS

5.4.1 In line with the council’s risk management strategy, the information contained within the strategic indicator monitoring will assist the Cabinet, Corporate Directors and relevant service managers in delivering the ambitious targets set out in the Strategic Plan. Regular monitoring reports will enable Members and Corporate Directors to keep progress under regular review.

5.5 CRIME AND DISORDER REDUCTION IMPLICATIONS

5.5.1 The Strategic Plan contains a number of crime and disorder items under Priority Outcome 2 “Creating and maintaining a vibrant, successful place”. The Strategic Measure set contains the measure “Total Notifiable Offences” (TNOs). Data for the period April - March shows that there were 32,187 TNOs. TNOs are all offences under United Kingdom law where the police must inform the Home Office by completing a crime report form for statistical purposes.

5.5.2 Whilst the responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the council has for a considerable amount of time been supplementing the local police presence in the borough, by funding an additional number of police officers to address key crime and disorder priorities (drugs, ASB and prostitution) for the council and in turn residents.

5.5.3 Using our Integrated Offender Management system we have referred 123 clients to support services, such as substance misuse support and employment interventions. In addition, the council funded partnership taskforce (6 police officers) have stopped 768 individuals in hotspot areas leading to 118 searches and 48 arrests.

5.6 SAFEGUARDING IMPLICATIONS

5.6.1 The Strategic Plan contains a number of items relating to safeguarding adults and children, falling under Priority 1: “Creating opportunity by supporting aspiration and tackling poverty”. One of the main focus areas for the council is on children who are supported by our children’s social care services. Since the establishment of the independently chaired Improvement Board, there has been a steady improvement in performance for children’s social care measures. This report covers performance to the end of the 2017-18 financial

year, and whilst many of these measures were off target, performance continues to show positive trajectories. Following improvement practices put in place, there have been significant percentage point improvements in the rates of child protection visiting frequencies, and timeliness of assessments, visits and child protection plan reviews.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report sets out the 2017/18 end of year position against the council's strategic performance measures. A separate report setting out the council's financial outturn position for 2017/18 is considered separately by the Cabinet. There are no additional financial implications arising from the recommendations of this report.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The report provides performance information. It is consistent with good administration for the council to consider monitoring information in relation to plans that it has adopted in order to achieve best value.
- 7.2 When considering its performance, the council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). The council's targets are formulated by reference to its public sector equality duty and monitoring performance against those targets should help to ensure they are delivered.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1: Strategic Plan and KPI performance summary 2017/18

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

- NONE

Officer contact details for documents:

N/A

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Year-end Strategic Performance Monitoring – Strategic Plan and Performance Measure summary

Year-end 2017-18

Summary

1

1. The Council has made good progress in delivering positive outcomes for our residents. This report highlights key achievements delivered over the course of the financial year through the strategic plan activities and provides information about our performance against the basket of strategic performance indicators which we use to measure our success.
2. This report notes the significant progress made this year in delivering good outcomes for residents in our three strategic priority outcome areas. 41% of strategic performance measures, which have a target and are reported in this period, achieved or exceeded the set target. 42% of measures reported in this period improved or maintained performance compared to last year. Summary commentary by priority outcomes is presented below.

Priority 1: Creating opportunity by supporting aspiration and tackling poverty



commentary





A dynamic local economy, with high levels of growth that is shared by residents

- 2.1 The Council has provided *business support* to 733 businesses so far this year. The number of *new business registrations* is 1,070 in 2017, equating to 6.4% growth.
- 2.2 Our support has resulted in 261 pre start entrepreneurs benefitting from training. Of these, 75 enterprises have been created covering a wide range of commercial activities. In addition, 12 enterprises have been supported in finding suitable accommodation; 181 businesses assisted to improve retail and marketing performance; new sales generated through support projects amount to £1.98m (Supply Ready) and £166,000 (Retail Marketing Ready).
- 2.3 Key deliverables from the strategic plan activities that also support this outcome include:
- Establishment of a Whitechapel Investment & Retail Officer Steering Group
 - Affordable workspace provision on 1st floor, Bethnal Green Library
 - Brick Lane and Thriving High Streets regeneration: 4 events held to increase footfall

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
BUS1 Number of businesses supported through Council activities	500	733		
BUS2 Rate of new business registrations	11%	6.4%		

Residents into good quality, well-paid jobs

- 2.4 994 residents were supported into work by the WorkPath partnership provision this year. The focus of the service is on supporting economically inactive and long-term unemployed groups of residents (residents furthest from the labour market, potentially with multiple barriers to employment), those that require extensive support over a longer period of time to get them job ready and into employment. There has been a substantial fall in Apprenticeship starts nationally and this is one of the contributing factors in the lower than expected outputs for this year.
- 2.5 The gap between TH and London employment rates has widened to 11.8ppts, with the Tower Hamlets employment rate being 62.2% whilst the London average rate is 74%. As reported in Q3, a technical review of these data (by the Council's research team) has suggested these survey-based data may not be very reliable.
- 2.6 Key deliverables from the strategic plan activities that supported this outcome and that have not outlined above include:
- £3.98m secured through S106 agreements, improving our ability to secure local employment with developers in the borough. Strategic Planning Document being revised to include financial penalties for missed employment and enterprise obligations.
 - Cabinet agreed for the development of the Group Training Agency across East London and pilots to deliver pop up training centres on LBTH sites to meet the demands on the industry.
 - Sector specific ESOL training and to develop the community training hub and work underway to better coordinate cross-borough ESOL delivery.
 - Construction and health & social care courses delivered.

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
WORK1 Tower Hamlets residents supported into work by the Council's Workpath partnership provision	1,500	994		
WORK2 Overall employment rate - gap between the Borough employment rate and London average rate (working age)	2	11.8		

Children get the best start in life

- 2.7 One of the main focusses for the Council is on children who are supported by our children's social care services. Since the establishment of the independently chaired Improvement Board,

there has been a steady improvement in performance for children's social care measures. This report covers performance to the end of the 2017-18 financial years, and whilst many of these measures were off target, performance continues to show positive trajectories.























- 2.9 The *average time between a child entering care and moving in with its adoptive family* is 547 days – a significant improvement over the past year and performance is now above the national average. *Thirty adoptions and special guardianship orders granted for looked after children* were granted this financial year. The *percentage of looked after children in the same placement for 2 years or more* was 62.3%; specialist foster carers are being recruited to improve outcomes for looked after children.
- 2.10 There has been a significant improvement in the rates of child protection visiting frequencies, and timeliness of assessments, visits and child protection plan reviews. For example, *the percentage of children on a child protection plans visited within the last 4 weeks* has improved by over 22 percentage points to stand at 95%.
- 2.11 Support is being provided to teams on improving trajectories to meet legal requirements. The impact of the ongoing work to raise compliance among all teams is that child protection plans are regularly monitored; ensuring children and young people are kept safe

Educational Attainment

- 2.12 As previously reported in Q2 and Q3 reports, educational attainment in Tower Hamlets has improved in Early Years education, Key Stage 2 and Key Stage 5 (A Level). Attainment at Key Stage 4 (GCSE level) measured by the attainment 8 point score was affected by changes in the assessment of English and maths and the points awarded for graded GCSE's. This resulted in a reduction for LBTH, London and National. The most suitable indicator to track performance during these changes is the English and maths A-C/9-4 measure, however; it should be noted that the English and Maths threshold in the school accountability framework is now the more demanding 9-5 measure.
- 2.13 Key deliverables from the Strategic plan which support outcomes for children and young people include:
- Early Help model implementation is underway. Organisational changes to deliver central capacity for case management and commissioning of early help services delivered. Outcomes framework developed, commissioning strategy and working to improve workforce development being written.
 - Adoption and implementation of the Sufficiency Strategy and the Review of the Leaving Care Service will improve outcomes for looked after children and young people. This is through improved commissioning of support services, enabling looked

after young people to access Leaving Care earlier to ensure a smoother transition to independence, and reducing placements of looked after children that are more than 20 miles from their support networks and services.

- A re-designed and re-launched youth service that works to a new outcomes framework is now offering 18 new universal youth hub sites. Services available from the hubs include health and wellbeing programmes, informal learning, specialist arts, specialist LGBTQ support, SEND support, and a young carers project.
- Schools and the Careers Service have continued to work jointly to meet the statutory duty to support young people to plan for their post 16 transitions by providing impartial information, advice, and guidance on options for progression.

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
LAC1 Average time between a child entering care and moving in with adoptive family (Time to adoption)	610	547		
LAC2 Number of adoptions and special guardianship orders granted for looked after children	38	30		
LAC3 Percentage of looked after children in the same placement for two years or more	71.60%	62.30%		
CP1 Percentage of children's social care contacts completed within 24 hours	95%	62.30%		
CP2 Percentage of children's social care assessments completed within 45 days	95%	72.70%		
CP3 Percentage of children on a child protection order visited within the last 4 weeks	95%	95%		
CP4 Percentage of child protection reviews completed in time	98%	96.30%		
CHILD1 Excess weight in 4-5 year olds	21.30%	23.20%		
EDU001 Key Stage 2 Achievement: Percentage of children achieving the national standard (attainment gap for White British children)	-3.3	-12.7		
EDU002 Key Stage 4 (GCSE) Progress 8 Achievement: (attainment gap for White British children compared to non-White British children)	-0.6	-1.16		
EDU003 Early Years Foundation Stage Profile: proportion of children achieving a good level of development	69	68.4		

EDU006 Key Stage 2 - percentage of pupils achieving the national standard	63	67.6		
EDU4 Educational attainment of looked after children at KS2	66.6	14		
EDU007 KS4 (GCSE) - Attainment 8	54	47.2		
NEET1 16 to 19 year olds who are not in education, employment or training (NEET)	6%	5.96%		
EDU009 KS5 – Average point score per entry - Academic qualifications	-	30.19		
EDU010.2 KS5 - average point score per entry - Tech Level qualifications	-	34.9		
EDU010.3 KS5 - average point score per entry - Applied General qualifications	-	37.63		
EDU5 Educational attainment of looked after children at KS4	27.2	22.1		
EDU009 KS5 – Average point score per entry - Academic qualifications	-	30.19		
EDU008 KS4 (GCSE) - Progress 8	0.22	0.25		

People are healthy and independent for longer

2.14 Healthy life expectancy has improved for both men and women in this borough. Data from the Office for National Statistics shows that a healthy life expectancy for men is 61 years and for women it is 56 years. Actual life expectancy is higher; at 78.7 years for men and 82.4 years for women.

Create a healthier place

2.15 This year 1,453 residents have quit smoking, supported by council and partner smoking cessation services. Of those, 27 were quits by pregnant women. 732 of the quits were from BME residents. Collingwood, Chicksand and Sydney Estates identified as areas for improvements to the physical environment; Rounton, Ion Square, St John McDougal Gardens, Jolly's Green, Ropewalk Gardens identified as sites for new urban gyms / pocket parks – to be delivered in 2018/19; Over 400 premises have received Food-for-Health awareness raising visits by Environmental Health Officers this year; Suicide Prevention Strategy adopted in December 2017

Integrating health and social care

2.16 £45million Better Care Fund for 17/19 agreed, underpinned by a Section 75 Agreement with NHS organisations; Discharge to Assess Service established at the Royal London Hospital

Supporting communities to drive change in health and wellbeing

2.17 Training delivered to c400 LBTH staff in Making Every Contact Count which helps them to support residents to lead healthier lives by identifying their own priorities; 7 community researchers recruited via the 'Community Insights Network' to inform the new Tower Hamlets Joint Strategic Needs Assessment; 100+ staff trained on the

half day Mental Health First Aid LITE awareness course

Increasing the independence and resilience of our communities 2.18 Provisional results from this year's Adult Social Care survey shows that 70.3% of adult care users say that the borough's care and support services help them to have control over their daily lives. This year we have established an integrated Community Equipment Service established (bringing together equipment, adaptations, Telecare and AT) operating 7 days per week

Tackling health-related employment issues 2.19 17 adults with learning disabilities have enrolled on a WorkPath pre-apprenticeship programmes since April 2017; Over 300 Tower Hamlets staff from statutory and non-statutory sectors (228 from voluntary sector or other) have been trained on the half day Mental Health First Aid LITE awareness as qualified Mental Health

Keeping vulnerable adults safe, minimising harm and neglect 2.20 'Make Safeguarding personal' community event held in July 2017, attended by over 100 service users

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
ADULT1 Percentage of adult care users who say care and support services help them have control over their daily lives	70.30%	70.30%		
ADULT3 Proportion of people over 65 receiving long term support, per 10,000 population	1,304.80	1,031.8		
ADULT5 Smoking Quitters - actual number	1,500	1,453		
ADULT4 Self-reported happiness (sense of wellbeing)	69.70%	78.50%		
ADULT6 Non-Elective Admissions (Better Care Fund)	93.50%	98.90%		
POP1 Population healthy life expectancy MALE	56	61		
POP2 Population healthy life expectancy FEMALE	52.4	56		















Gaps in inequality have reduced and diversity is embraced 2.21 *The employment gap between Tower Hamlets and the London average for residents who are women and for residents who are BME have widened to 17ppts and 14.4ppts respectively; targets for these measures have not been achieved. As reported for the employment rate (above), these results are survey based.*

2.22 A key priority for the Council is to support more women and black and minority ethnic and disabled residents into employment through our WorkPath partnership provision; key outputs include: 516 sustainable job starts for BME residents. 259 sustainable job

starts for women. ELBA, awarded 90k Somali graduate programme. 81 placements achieved as part of the Women into Health working start programme. 26 disabled residents offered pre-apprenticeship placements since March 2017. 18 +50 residents have started work placements and the ILM level 2 training.

2.23 Key deliverables which contribute to reducing inequality and embracing diversity include:

- Promoted awareness and understanding of different faiths, and interfaith activities by delivering a range of related community events, including Interfaith Week.
- Celebrated the heritage and diversity of the borough by sponsoring cultural events across the year, including International Women’s Week, Black History Month, LGBT History Month, and International Day of Disabled People.
- Launched pilot resident support scheme providing a mix of goods and services, and financial support.

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
WORK3 Proportion of people with mental health problems in employment	5.9%	6.9%		
WORK4 Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women	-	17		
WORK5 Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents	5.85	14.4		
EDU002.1 Key Stage 4 (GCSE) Attainment 8 Achievement: (attainment gap for White British children compared to non-White British children)	-	-11.5		
WORK6 Position of LBTH in London Boroughs for top 5% of earners that are female	1	1		
WORK7 Position of LBTH in London Boroughs for top 5% of earners that are BAME	1	1		
WORK8 Position of LBTH in London Boroughs for top 5% of earners that are disabled	1	1		

Exclusions and limitations

There are a total of 41 measures supporting this priority. Of these, the report includes 38 measures. The section below sets out the reasons for excluding certain measures from this report.

Measures not included in this report

- *Percentage of pupils who think they will go to university or higher education in the future (primary pupils and secondary pupils)* – These two measures are questions from the Tower Hamlets Pupil Attitude Survey (PAS). The PAS focuses on pupils' views and experiences on health and well-being, staying safe, the use of technology, local community and plans for the future. It was developed to replace TellUs, a national survey which was cancelled in 2010. The survey ran between November 2017 and January 2018 and captured the views of over 1800 pupils from 23 schools across the borough. Analysis is currently being undertaken and the final results will be available by Q1 2018-19.
- *Adult Social care carer satisfaction (carer satisfaction with social services)* – This is a bi-annual measure. The next survey will be conducted in November 2018, and reported in January 2019.

Priority 2: Creating and maintaining a vibrant, successful place











3

commentary

An improved local environment	3.2	<i>Street Cleanliness</i> targets have been missed. The majority of failed streets are in the densest parts of the borough such as Bethnal Green and Whitechapel where footfall is very high such as high streets and market spaces which are prone to casual littering.
	3.1	Key deliverables relating to our work to reduce the impacts of traffic on our residents, making our borough one of the best in London to walk or cycle in and building a sustainable approach to road use and parking policy include: <ul style="list-style-type: none">• The “Love Your Neighbourhood” initiative, which is aimed at raising awareness and encouraging everyone in the community to play their part in keeping the borough clean and increase the amount of waste that is recycled.• Big Clean-Up events organised where residents can get involved: purpose is to show residents the importance of keeping the borough clean of waste and minimise waste as much as possible. A further event is scheduled for March.• Making recycling sacks available in Idea Stores and libraries 7 days a week, helping to make recycling easier for residents.• 95% of traffic calming works completed in Stepney and design and consultation completed for 5 others. Draft Local Plan submitted to the Secretary of State in February 2018.• Initiatives for improving air quality and enhancing environmental sustainability include 9 schools benefitting from improvements to reduce carbon emissions achieving a CO2 reduction of 62 tonnes / 15%. 44 referrals received onto the

boiler replacements programme.

- Average annual savings for households who switched energy was £157.
- A new therapeutic garden in Whitechapel supporting our biodiversity commitments.
- 50 on-street cycle parking spaces and 187 secure residential cycle parking spaces delivered. This figure includes 90 bike hangar spaces (equating to 15 bike hangars) and 90 spaces in a total of 8 communal cycle shelters.





Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
CLEAN1 Percentage of household waste sent for reuse, recycling and composting <i>Awaiting 2017/18 data</i>	29%	22.8%		
CLEAN2 Level of street and environmental cleanliness - litter (%)	1.7%	2.2%		
CLEAN3 Level of street and environmental cleanliness - detritus (%)	1.2%	1.4%		
CLEAN4 Improved street and environmental cleanliness - graffiti (%)	5.2%	6.9%		
CLEAN5 Improved street and environmental cleanliness - fly-posting (%)	0.8%	1.1%		

People feel safe and places have less crime and anti-social behaviour

- 3.2 Whilst responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the Council works in partnership with statutory partners to reduce the impacts of crime and disorder on the borough. The Council also funds additional police offers to support neighbourhood policing and tackle the priority crimes and issues that matter most to residents, private enforcement action is taken.
- 3.3 The *total notifiable offences* in Tower Hamlets was 32,187 year-to-date and 7,574 for Q4 (Jan-Mar 2018) this is up 3.7% (1,135) compared to previous year, but significantly less than the increase to the Metropolitan Police Service total for London, which was up 6.4% (49,767) to 827,225. The *proven re-offending rate by young people stands* at 39.7%, an improvement compared to previous reporting periods and lower than the London average.
- 3.4 Key deliverables from the strategic plan activities that support these outcomes include:
- Dealing with 247 high risk individuals on the IOM cohort

throughout the year.

- 46 Offenders were engaged in a mentoring programme; 39 engaged in Right Track offender based programme looking into impact of offending behaviour on the individual, victim and consequences; 27 engaged in the Tiger programme: dealing with trauma suffered by individual and providing them with coping mechanisms; 30 engaged in Building Bridges programme that looks into impact of offending behaviour on the offenders family; 38 engaged in Blue Sky employment agency; 52 referred to mental health to see a forensic mental health practitioner; 31 referred to local drug agency for drug treatment.
- 10 mobile deployable CCTV cameras have been acquired to tackle ASB in the borough.
- Two Criminal Behaviour Orders (CBO) currently granted with a further 22 in progress

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
SAFE1 Total Notifiable Offences (number)		32,187 (7,574)		
JCE9 First time entrants to the youth justice system		-36		









Better quality homes for all







- 3.5 The borough's population has more than doubled over the past 30 years, making Tower Hamlets the fastest growing local authority in the UK; and the population is expected to reach 391,200 by 2027. Around 37% of households on the housing waiting list are living in over-crowded accommodation and 54% are in priority categories 1 and 2. In 2017 the borough had the second highest number of households on the housing waiting list in London and the eighth highest nationally.
- 3.6 The number of *affordable homes* delivered was 926, and the *number of affordable social rented housing completions for family housing* was 316. Four schemes failed to complete by March, 2018, however it should be noted that the council has no control over the achievement of this target, as completions are managed by independent developers and the purchasing Registered Providers. The *number of affordable provided as wheelchair accessible or adaptable* was 146. The policy target of 10% of the total number of affordable homes has been exceeded.
- 3.7 897 *overcrowded families were rehoused* to larger and more suitable accommodation representing 53% as a percentage of total lets. The Council has little influence over applicants' bidding strategy because of choice based lettings – which allows applicants to choose what they consider suitable for them. The Common housing Register partners facilitates Open Day event for residents, and

officers continue to encourage applicants to exercise different housing options and be more flexible in their bidding.

In addition to the health and educational benefits of reducing overcrowding in homes, the high number of lets to overcrowded applicants also has a positive impact on preventing homelessness because many applicants that do approach the council as homeless are often from accommodation that is overcrowded.

- 3.8 The proportion of households who considered themselves as homeless, who approached the local authority's housing advice service(s) and for whom housing advice casework intervention resolved their situation (*homeless preventions*) was 15.8%. Over the year, there were 349 preventions and a total of 2,309 approaches.
- 3.9 The number of families in B&B accommodation for longer than six weeks remains zero and has been since September 2016. The number of households living in temporary accommodation is 2,234 of which 1919 were owed a statutory duty. There has been a small increase in the total number mainly due to initiatives to reduce rough sleeping which has led to a short term increase in the number of non-family households (adult-only) accommodated in bed and breakfast hotels.
- 3.10 Other deliverables supporting this outcome include: New Private Rented Sector Charter webpages which have been visited by thousands of residents seeking information. Quarterly training sessions are being run in conjunction with the London Landlord Accreditation Scheme, for landlords in the Borough. Enforcement actions achieving improvements to the businesses involved in the regulation of private rented housing in Tower Hamlets and across London.

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
HOME1 Number of affordable homes delivered (gross)	1,375	926		
HOME2 Number of affordable units provided as wheelchair accessible or adaptable (10% of affordable homes delivered)	78	146		
HOME3 Number of affordable social rented housing completions for family housing (gross)	410	316		
FAM1 The proportion of overcrowded families rehoused, lets to overcrowded households (%)	50	53		

FAM2 Number of homeless families in B&B >6 weeks	0	0		
FAM3 Number of households living in temporary accommodation		1,919		
FAM4 The proportion of households who considered themselves as homeless, who approached the local authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation.	21	15.8		

Communities are engaged, resilient and cohesive.

3.12

Cohesion and belonging is measured through our Annual Residents Survey – the results of which will be available later this year. There are six strategic actions underpin the delivery of this outcome. Key achievements for this outcome include:

- Community Engagement Strategy agreed by Cabinet on 30/01/18. Work has begun on a co-production framework, community asset mapping, capacity building and enhancing target communications relevant to different sectors of our community.
- Co-producing detailed schemes for each of the agreed themes in the grants policy with the Voluntary and Community Sector with the launch of the new programme in summer.
- Projects to bring residents from different backgrounds together to improve their neighbourhoods have started delivering in Aldgate East and Mile End.
- Following publication of a social integration Green Paper and the launch of the Mayor of London's social integration strategy in March 2018, work has begun on shaping a cohesion plan drawing on the 2017 cohesion outcomes framework
- Delivered a new corporate voluntary and community sector grants policy framework
- Delivered the framework for the new Community Commissioning programme to replace the current MSG
- Progressed the transition of the former Third Sector Advisory Board to Co-operate

Exclusions and limitations

There is a total of 22 measures supporting this priority. Of these, the report includes 14 measures. It should also be noted that due to reporting and data source limitations, some data included in the report does not cover the full period up to 31/03/18. The sections below set out (a) the reasons for excluding certain measures from this report and (b) those measures which are subject to delay in data availability.

Measures not included in this report

Annual Residents Survey (ARS) measures – There are six ARS survey measures in this priority. The survey was carried out earlier in the year and is expected to be fully validated and analysed by the end of the summer. The measures are:

- Overall / general satisfaction with the local area
- Percentage of residents who rate parks and open spaces as good, very good or excellent
- Extent to which residents feel the police and other local services are successfully dealing with ASB
- Local concern about ASB and Crime: drug use or drug dealing as a problem / vandalism, graffiti and criminal damage as a problem / drunk and rowdy behaviour in public spaces as a problem
- Proportion of users who rate libraries/Idea Stores as good, very good or excellent
- Proportion of people who believe people from different backgrounds get along well together

Improved air quality – The council’s newly adopted air quality action plan will be underpinned by a set of measures to be implemented from 2018/19. These measures will focus on the elements of air quality improvement which the council can directly influence.

Percentage of overall council housing stock that is non-decent – Data collection delays due to number of third party providers providing returns. The year-end outturn for this measure will be available by Q1 2018-19.

Measures which do not include data up to 31/03/18











Percentage of household waste sent for reuse, recycling and composting – Measure reports one quarter in arrears because of the level of data quality checking prior to submitting return on WasteDataFlow (the web based system for municipal waste data reporting by UK local authorities to government). Year-end data is expected to be included in the next quarterly report.

Priority 3: Working smarter together as one team with our partners and community

4

commentary

An enabling and efficient Council	4.2	The budgeted collection rate for <i>council tax</i> was 101.42%, and for business rates (NNDR) budget collection rate was 98.45%.
<i>Customer Access</i>	4.3	<i>83.34% of contact transactions are now dealt with online (channel shift).</i> The phasing for contact centre integration has been agreed and minor works procurement to Idea stores completed to start work on site May 2018 with all sites completed by early 2019. Options for our digital platform, including 'My Account' have been agreed.
Sickness Absence	4.4	The number of working days / shifts lost to sickness absence per employee is 10.27. A comprehensive package of support will help to transform the council's approach to sickness management and employee wellbeing includes: supporting managers to tackle sickness absence within their teams; procurement of a new Occupational Health Service. Actions taken for employees with chronic musculoskeletal conditions that have resulted in long or recurrent sickness absence to facilitate return to work. A new Occupational Health Service from an external provider is being procured.
	4.5	Key deliverables from the Strategic Plan supporting the delivery of the working smarter together as one team with our partners and community outcome include the piloting of a new learning management system and launched this early in April 2018.
Organisational culture	4.6	Over 80% of the actions in the Best Value Improvement Plan are now delivered. The Council will be hosting a Corporate Peer Challenge in June 2018 which will help us to understand the progress we have made over the years on the best value areas.
	4.7	Good progress is being made against the 15 recommendations from Ofsted via the Children's Services Improvement Board with progress regularly shared with Cabinet.

Strategic Measure	Target	Actual	RAG Status	Long Term Trend (DOT)
CUST1 Customer Access Overall Satisfaction (telephone contact)	93%	90%		
CUST2 Percentage of contact transactions dealt with online (channel shift)	85%	83.34%		
REV1 Percentage of Council Tax Collected (budgeted)	101%	101.42%		
REV2 Percentage of Non-Domestic Rates Collected (budgeted)	100%	98.42%		
HR1 Number of working days/shifts lost to sickness absence per employee	8.1	10.27		

Partnership relationships, nurturing an outward looking culture

4.8

The Strategic Partnership has met on a bi-monthly basis. Through this, work has been completed on spend analysis and a borough needs analysis. As part of this, a Partnership Summit was held in January and attended by 350 senior managers from our partners. A further summit is being arranged in July to launch the Community Plan.

Exclusions and limitation

There are a total of 11 measures supporting this priority. Of these, the report includes 5 measures. The sections below set out the reasons for excluding certain measures from this report.


Measures not included in this report

Annual Residents Survey (ARS) measures – There are six ARS survey measures in this priority. The survey was carried out earlier in the year and is expected to be fully validated and analysed by the end of the summer. The measures are:

- My Council listens to the concerns of local people
- The percentage of residents agreeing that the Council involves residents when making decisions
- The percentage of residents who feel able to influence decisions in their local community
- The percentage of residents agreeing that the Council is doing a good job

Staff Survey measures – The staff survey has been postponed to November/December 2018. The measures are:

- My manager treats me fairly and with respect
- Percentage of staff that are proud to work for Tower Hamlets

<p>Cabinet</p> <p>27 June 2018</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Contracts Forward Plan – Quarter One (FY2018-2019)</p>	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources
Originating Officer(s)	Zamil Ahmed – Head of Procurement
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	29 May 2018
Reason for Key Decision	Significant Financial Expenditure and Significant Impact on two or more wards.
Community Plan Theme	A fair and prosperous community

1. EXECUTIVE SUMMARY

- 1.1. The Council’s Procurement Procedures require a quarterly report to be submitted to Cabinet, setting out a forward plan of supply and service contracts over £250K in value, or capital works contracts over £5m. This provides Cabinet with the visibility of all high value contracting activity, and the opportunity to request further information regarding any of the contracts identified. This report provides the information in quarter one of the current Financial Year.
- 1.2. Only contracts which have not previously been reported are included in this report.

2. DECISION REQUIRED:

Mayor in Cabinet is recommended to:

- 2.1. Consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area
- 2.2. Confirm which of the remaining contracts set out in Appendix 1 can proceed to contract award after tender

- 2.3. Authorise the Divisional Director - Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2.2 above
- 2.4. Review the procurement forward plan 2018-2022 schedule detailed in Appendix 2 and identify any contracts about which further detail is required in advance of the quarterly forward plan reporting cycle

3. **REASONS FOR THE DECISIONS**

- 3.1. The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250K, and any contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after quarter one of the current financial Year.

4. **ALTERNATIVE OPTIONS**

- 4.1. Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

5. **BACKGROUND**

- 5.1. Council's procurement procedures and processes have undergone major improvements to ensure they are clear, concise and transparent. Our systems, documentations and guidance to suppliers have been transformed to ensure they reflect best practice in Public Sector procurement. Our efforts in maintaining effective dialogue with our bidders during the procurement process has helped to minimise procurement challenges.
- 5.2. To ensure the Council continues to be recognised for its sound procurement practices and effective engagement with the supply community, it is imperative that delays in contract award are minimised and adherence to the timetable outlined within our Invitation to Tender documentations.
- 5.3. The importance of procurement as an essential tool to deliver Councils wider social, economic and environmental aims has resulted in the need to ensure effective elected Member engagement in the pre-procurement and decision making process as identified in the recent Best Value audit.
- 5.4. This report provides the forward plan for quarter one of the current financial Year in Appendix 1, and gives Cabinet Members the opportunity to select contracts about which they would wish to receive further information, through subsequent specific reports.
- 5.5. Additionally, the report also includes a Procurement Forward Plan 2018-2022 to provide Mayor and Cabinet members with high level visibility of our planned

procurement activity and the opportunity to be engaged in advance of the procurement cycle.

6. FORWARD PLAN OF CONTRACTS

- 6.1. Appendix 1 details the new contracts which are planned during the period Q1 of the Financial Year. This plan lists all of the new contracts which have been registered with the Procurement Service, and which are scheduled for action during the reporting period.
- 6.2. Contracts which have previously been reported are not included in this report. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to Cabinet as individual contract reports.
- 6.3. Cabinet is asked to review the forward plan of contracts, confirm its agreement to the proposed programme and identify any individual contracts about which separate reports – relating either to contracting strategy or to contract award – will be required before proceeding.
- 6.4. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the Council's Tollgate process which provides an independent assessment of all high value contracts, and ensures that contracting proposals adequately and proportionately address both social considerations and financial ones (such as savings targets). The work of the Strategic Procurement Board and Corporate Procurement Service ensures a joined-up approach to procurement.
- 6.5. The Tollgate process is a procurement project assurance methodology, which is designed to assist in achieving successful outcomes from the Council's high value contracting activities (over £250K, for revenue contracts, and £5m, for capital works contracts which have not gone through the Asset Management Board approval system). All Tollgate reviews are presented to Strategic Procurement Board; contracts require approval of the Board before proceeding.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1. This report describes the quarterly procurement report of the forward plan for quarter one of the Financial Year and beyond, to be presented to Cabinet for revenue contracts over £250K, in value and capital contracts over £5m.
- 7.2. Approximately £41.5m of goods, services and works will be procured from external suppliers. Procured services comprise around 40% of the Council's annual expenditure and control of procurement processes is thus crucial to delivering value for money for tax payers as well as managing the risks that may arise if procurement procedures go wrong. Consideration of the plan by Cabinet operates as an internal control and also provides the opportunity for the Mayor to comment on specific procurements at an early stage.

8. LEGAL COMMENTS

- 8.1. The Council has adopted financial procedures for the proper administration of its financial affairs pursuant to section 151 of the Local Government Act 1972.

These generally require Cabinet approval for expenditure over £250,000 for revenue contracts and £5m for capital works contracts.

- 8.2. Cabinet has approved procurement procedures, which are designed to help the Council discharge its duty as a best value authority under the Local Government Act 1999 and comply with the requirements of the Public Contract Regulations 2015. The procurement procedures contain the arrangements specified in the report under which Cabinet is presented with forward plans of proposed contracts that exceed specified thresholds. The arrangements are consistent with the proper administration of the Council's financial affairs.
- 8.3. Pursuant to the Council's duty under the Public Services (Social Values) Act 2012, as part of the tender process and where appropriate, bidders will be evaluated on the community benefits they offer to enhance the economic social or environmental well-being of the borough. The exact nature of those benefits will vary with each contract and will be reported at the contract award stage. All contracts delivered in London and which use staff who are ordinarily resident in London will require contractors to pay those staff the London Living Wage. Where workers are based outside London an assessment will be carried out to determine if the same requirement is appropriate.
- 8.4. When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the tollgate process.

9. BEST VALUE (BV) IMPLICATIONS

- 9.1. The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Council procures annually some £350m of supplies and services with a current supplier base of approximately 3,500 suppliers. The governance arrangements undertaking such buying decisions are set out in the Council's Procurement Procedures, which form part of the Financial Regulations.
- 9.2. Contracts listed in Appendix One are all subject to the Council's Tollgate process which involves a detailed assessment by Procurement Review Panel and Strategic Procurement Board of the procurement strategy to ensure compliance with existing policies, procedures and best value duties prior to publication of the contract notice.

10. ONE TOWER HAMLETS CONSIDERATIONS

- 10.1. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed. The work of the Strategic Procurement Board and Corporate Procurement Service ensures a joined-up approach to council's procurement activities.

11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 11.1. Contracts are required to address sustainability issues in their planning, letting and management. This is assured through the Tollgate process, and supported through the Corporate Social Responsibility work stream.

12. RISK MANAGEMENT IMPLICATIONS

- 12.1. Risk management is addressed in each individual contracting project, and assessed through the tollgate process.

13. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 13.1. There are no specific crime and disorder reduction implications.

14. EFFICIENCY STATEMENT

- 14.1. Contract owners are required to demonstrate how they will achieve cashable savings and other efficiencies through individual contracting proposals. These are then monitored throughout implementation.

15. APPENDICES

Appendix 1 – new contracts planned: Q1 of the Financial Year and beyond.

Appendix 2 - Procurement Forward Plan 2018 -2022

Appendix one – new contracts planned: Q1 of the Financial Year 2018-19

Contract Ref & Title	R5345 - Enforcement agents		
Procurement Category:	Corporate Services	Funding:	General
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	July 2018	Contract Duration and Extensions:	4 year contract (1+1+1+1)
Value P/A:	Based on income earned by contractors- c£1.4 million.	Value Total:	£6 million approximately.
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

The Council has a statutory duty for the collection of unpaid Council Tax, Business Rates, Sundry Debtors and PCN's. The use of Enforcement Agents (formerly bailiffs) is covered within various sections within Local Government Finance Acts and The Tribunal Court and Enforcement Act 2007. The use of certificated Enforcement Companies is an integral part of the overall collection process for Council Tax, Business Rates and PCN's and contributes greatly to ever increasing collection levels for the Council. The Council always attempts to secure a mutually acceptable payment plan from its debtors first, rather than referring the matter to Enforcement Company. The use of an Enforcement Company always follows the usual legislative enforcement process. In addition, the Council requires all suppliers to provide a collection service for Sundry Debtor arrears.

Contracting Approach

It is proposed to make use of existing frameworks. For example, The Yorkshire Procurement Organisation and Rotherham Council both have current frameworks that will be accessible to the Council. Both frameworks have a comprehensive list of suppliers comprising the most of the recognised market leaders. Procurement via a framework will have the advantage that an assessment of the qualifications and stability of the businesses listed have already been undertaken. Therefore the procurement process can relate solely to the Council's requirements and criteria.

Community Benefits

All debts due to the council need to be collected, failure to do so may impact on providing services. Maximising revenue will contribute toward keeping costs down for Tower Hamlets Residents.

Contract Ref & Title	R5342 - Managed Print Service		
Procurement Category:	Revenues	Funding:	Print Budget
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	July 2018	Contract Duration and Extensions:	3 plus 2 years
Value P/A:	£792,000	Value Total:	£3,960,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

The scope of this contract is to procure a managed print service. This includes the appointment of single provider to manage councils printers and photocopiers. A managed print service will help to refresh and reduce existing printers and photocopiers, improve end-user experience, reduce costs to realise MTFS savings and improve service through contract driven service level agreement (SLA).

Contracting Approach

The market for delivering managed print service is well developed and competitive. The established G-Cloud online platform provided by the Central Government Digital Marketplace will be used for this procurement. It will enable the Council to procure efficiently and effectively through a recognised contract framework. The scale of this project is to achieve pricing efficiencies and cost effectiveness implementation. Year on year savings are expected to be achieved through print cost reduction.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	R5336 – Mobiles Phones Contract		
Procurement Category:	Resources	Funding:	Revenues
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	01/07/2018	Contract Duration and Extensions:	24 Months Plus option to extend by another 24 months
Value P/A:	£425,000	Value Total:	Up to £1.7 million
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

To renew the corporate mobile phones contract, this is one of the third party (schedule 25) contracts managed by the council's strategic partner, Agilisys. The new contract is to be managed in-house and seeks to include tariffs for increased data to enable faster access to the internet, free minutes to make and receive calls, unlimited text messaging, provision for mobile device management and zero device costs for catalogue-listed mobile phones. The decision was taken to manage mobile telephony in-house in the future in order to make savings on the management fees charged by Agilisys. Managing contracts in-house is part of the future ICT transformation and sourcing strategy that was approved by cabinet on 27th February 2018.

Contracting Approach

The market for delivering this service is well developed and highly competitive. There are suitable firms operating at local, regional and national level that are likely to bid for the contract. An Invitation to Tender (ITT) will be issued as a competition run under the terms and conditions within the Crown Commercial Services' (CCS) framework agreement, which includes the major mobile phone network vendors, which should ensure that tender submissions will be competitive. The scale of the programme should achieve pricing efficiencies and year on year savings.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	P5343 - Parking IT Solution		
Procurement Category:	Corporate Services	Funding:	Parking revenue account
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	August 2018	Contract Duration and Extensions:	5 +2 years
Value P/A:	Estimated £100k (based on current contract)	Value Total:	Estimated £500k (based on current contract)
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Parking & Mobility Services provides a vital service for the community by ensuring traffic flow and road safety in the borough. An efficient and effective Parking Management Information System is an essential and valuable tool to ensure compliance with restrictions and access to parking-related products to maximise the debt and income collection while providing excellent customer services.

Scope of Contract

The scope of the contract is the provision of a parking and mobility software operating system including, but not limited to, the following functionalities; Hosted and supplier-maintained solution, integrated virtual permits system, notice Processing – on-street and off-street parking and moving traffic contraventions, including CCTV enforcement and vehicle removals. Abandoned vehicle reporting and enforcement module, permits processing system including applications for suspensions, dispensations and skip licences. Integration of cashless parking and permit enforcement into handheld devices. Provision of the most up-to-date handheld software, hardware, and associated ANPR enforcement solutions, as required. Integrated customer (self-service) applications for reporting and requesting parking services, including but not limited to permit, suspension, dispensation and skip licence applications and abandoned vehicle reports. Software-assisted solutions to support representations and appeals staff to manage correspondence. Enhanced self-serve products for customers to monitor progress of challenges and representations. Blue Badge, Freedom pass and Taxi card processing system. Integration with the Council payments system. Potential to integrate with single Council customer online portal (not yet developed). On-street furniture fault-reporting and fault-monitoring system. Council Tax and the Electoral Roll. Integration with the Council's internal databases where possible, for example the LLPG, core data. Integration with the Council's external partner systems where possible, for example DVLA, TRACE, the Environmental and Traffic Adjudicators.

The current system manages the permit and parking contravention notice (PCN) processes, as well as other parking-related activities. This contract will allow continuity of the service, so that appropriate parking infrastructure can be provided, maintained and enforced across the borough.

Contracting approach

It is proposed that an open tender process will be used as the market for this service is mature with 5 or 6 main competitors, so shortlisting by means of a prequalification exercise will not be necessary. This tender will be advertised in the European Journal as the potential value is well over the threshold for services as defined in the Public Procurement Regulations and the EU Procurement Rules.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	P5233 - Street Lighting Replacement Programme		
Procurement Category:	Works	Funding:	Capital
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	18/06/2018	Contract Duration and Extensions:	4 years (3 + 1 years)
Value P/A:	Varies between 2.6m-3.75m	Value Total:	£15m
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

To undertake Borough-wide capital replacement of all street lighting lamp columns and lighting including installation of LED energy saving lanterns. This contract will include all associated works for delivering major works street lighting scheme including the transferring of services and providing new ones where necessary. The Council has an active programme of improvement works designed to deliver key elements of the Mayor and Council's priority outcomes. The budget approval was part of the capital programme agreed at cabinet in February 2017. The provision of £15m capital funding was previously agreed at MAB in 2015.

Contracting Approach

It is intended to procure this contract through the Crown Commercial Services Framework Agreement – RM1089 Traffic Management Technology 2 (Lot 9 – Street and Exterior Lighting). Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for relevant lighting materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme. This contract will support the best value procurement of street lighting improvement works within the Borough through the selection of suitably qualified and experienced provider.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	THH5346 - Housing Fire risk Assessments		
Procurement Category:	Construction & FM	Funding:	Delegated Capital
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	01/09/2018	Contract Duration and Extensions:	4 Years
Value P/A:	£200,000	Value Total:	£800,000
Reviewed by Competition Board <input type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

The procurement is to establish a cyclical programme of the statutory Fire Risk Assessments and associated consultancy services to all housing blocks and associated properties. The provision of the service will be in accordance with CIC Consultants Contract Conditions.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required.

Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates / day rates for relevant assessments. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include;

Contract Ref & Title	THH5347 – Housing Door Entry Maintenance		
Procurement Category:	Construction & FM	Funding:	Delegated Revenue
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	01/09/2018	Contract Duration and Extensions:	2 Years plus 2 Years
Value P/A:	£200,000	Value Total:	£800,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This contract is intended to replace the existing door entry maintenance contract that will not be extended beyond March 2019. The contract is for maintenance of the door entry systems that are already installed and are newly installed in the Housing stock. Maintenance of automatic gates may be included.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required. Expression of interest will be issued to all suppliers on the framework. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for the maintenance of door entry system including materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	THH5351- Tower Hamlets Homes Tree Maintenance Contract		
Procurement Category:	FM and Works	Funding:	THH Core Budget
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	July 2018	Contract Duration and Extensions:	5 years
Value P/A:	Up to £100,000	Value Total:	£500,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

Tower Hamlets Homes manages over 4000 trees on housing estate land on behalf of London Borough of Tower Hamlets. This contract is for a specialist tree contractor to provide tree maintenance works including emergency out of hours services work to ensure the health and well-being of the trees stock, mitigating risk to people and property.

Contracting Approach

The procurement will be carried out in accordance with the EU Open Procedure. The advert will be published in OJEU, Council website and Contract Finder via the Council's tendering portal. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Tender Documents.

Tower Hamlets Homes manages its tree stock through a three year cyclical programme where an external surveyor inspects all communal trees. Following the survey THH then issues the identified work to a separate tree contractor to carry out any work based on a risk/H&S priority, when Priority 1 works are due to be completed within 3 months, Priority 2 work within 6-9 months, Priority 3 within 12 months and Priority 4 within 24 months of the completion of the survey. The cyclical tree survey does not form part of this contact.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	THH5022 Framework for Cleaning Materials and Equipment		
Procurement Category:	Corporate Services	Funding:	THH: Delegated for our service. Contract Services: through SLA income
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	July 2018	Contract Duration and Extensions:	3 years plus 1 year
Value P/A:	THH: £600,000 pa Contract Services: £167,000pa	Value Total:	THH: £2.4m Contract Services: £670k
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This procurement is for establishing a framework of suppliers for Cleaning Materials and Equipment jointly for Tower Hamlets Homes (THH) and the Council's in-house Contract Services team.

Tower Hamlets Homes provide cleaning services to 920 residential blocks belonging to Tower Hamlets Council. 160 estate based caretakers undertake the cleaning duties of all the communal areas within the blocks and the externals of the estates. THH have a mixture of tenanted and leasehold properties and residents pay for a cleaning service to be delivered to the communal areas of their blocks via their rent and service charges. For this reason, it is essential the Caretakers have the right products to deliver a high standard of cleaning and obtain value for money for our residents and leaseholders through the procurement process. THH is also responsible for cleaning car park areas and playgrounds within the THH estates, look after all the horticulture and the grass cutting of all the green spaces around the residential blocks.. THH currently spend £600,000 annually on cleaning materials and equipment.

Contract Services delivers a catering service to 96% of Local Authority Maintained Schools including Dining Centres and Welfare meals in Tower Hamlets. The service also deliver a cleaning service to 30% of Schools where there is an annual SLA in place which includes the cost of cleaning materials. In catering, this is included in the school meal price. Contract Services currently spend £167,000 annually on cleaning materials and equipment.

Historically the requirement for materials have been sourced from a number of suppliers without an official contract in place. The new contract will reduce the overall number of suppliers and provide a less onerous contract management requirement. Longer term contracts will also encourage suppliers to commit resources to delivering good services and ensure that the commercial element of the tender is competitive.

The focus of this Contract is to drive the best possible market prices for cleaning materials supply and long term commitment of suppliers return high quality service that will enable THH and Contract Services to continually deliver essential services to residents.

Contracting Approach

Due to the very large pool of cleaning materials used the intention is to appoint a minimum of three suppliers to the framework. Materials will be called off from the cheapest supplier of each product; should the first supplier not be able to provide a certain product due to market unavailability or stock, we will have the option of calling off the second supplier on the framework and a third to keep the service running at its optimum without causing any service disruption.

The market for delivering these Goods is well developed and competitive. There are firms operating at local, regional and national level that are likely to bid.

This Procurement Process will be carried out in accordance with the EU 'Open' Procedure. The advert will be published in OJEU, the Council's Website and Contract Finder via the Council's tendering portal (Due North). In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Tender Documents.

Contract Ref & Title	THH4348 - Housing TV and Broadband Maintenance and New Installations		
Procurement Category:	Construction & FM	Funding:	Delegated Capital and Revenue Budgets
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	01/10/2018	Contract Duration and Extensions:	2 Years plus 2 Years
Value P/A:	£500,000	Value Total:	£2,000,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This contract is intended to replace the existing TV and Integrated Reception System maintenance contract that will not be extended beyond March 2019. In addition the contract will provide a facility for the installation of new TV and Broadband systems.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required. Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for the maintenance of TV Aerial including materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

Contract Ref & Title	P5332 Insurance Litigation Services		
Procurement Category:	Corporate	Funding:	Insurance Fund.
Invitation to Tender <input type="checkbox"/> Contract Signature <input checked="" type="checkbox"/>	July 2018	Contract Duration and Extensions:	5 years
Value P/A:	£200,000 (Maximum)	Value Total:	£1,000,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	01/05/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This service is to provide legal services to the Council in the event of litigated insurance claims. A framework arrangement has been set up by the Insurance London Consortium (ILC). The ILC is a consortium of 9 London Boroughs including LB Croydon who is the lead agency in the consortium and LB Tower Hamlets. A panel of 5 firms has been identified through a Restricted Tender process advertised in OJEU.

Contracting Approach

As and when external legal support is required, the council can call-off from this framework in order to engage one of the law firms listed, in accordance with the framework call off terms.

The insurance service has made an allowance of £200,000 expenditure per annum for the call-off. However this is the maximum sum, this is to ensure that potential contingencies are allowed for. It is anticipated, based upon previous years expenditure the actual spend should be much less.

In order to ensure that the costs of litigation are controlled the insurance team has recently restructured and it is intended that more claims will be dealt with in-house. However at some stage it will be necessary to call upon the services of an external lawyer in the event of a complex and high-value claim against the Council.

When the Council need to appoint a law firm the call off from the framework will be made on a "taxi rank" basis. That is law firm will be each given an opportunity to take on work in turn. In this way each firm will be ensured an approximate same share of the work. The prices given at the time of the tender mentioned above will be applicable at this time. The litigation industry has recognised experts in specific areas such as child abuse, or human rights cases or finance. Therefore the framework has been designed to be flexible so that in the event of there being a need to hire a law firm with certain specialist skills the taxi rank system can be waived and the law firm on the panel with the required specialist skills can be appointed. If no Panel member has he required skills then the authority may approach a law firm outside the panel.

Community Benefits

As this is a framework developed in collaboration with 8 other London Local Authorities, there are no opportunities to tie the providers in specific benefits to the community. Overall however, the availability of this service does provide a benefit to the community in that the Council's interests when insurance claims are subject to dispute or litigation are protected, ensuring that spurious and dubious insurance claims against the Council are subject to a rigorous legal process.

Contract Ref & Title	P5353 Motor Vehicle Procurement		
Procurement Category:	Supplies	Funding:	General Fund
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	June 2018	Contract Duration and Extensions:	Up to 10 years (DPS)
Value P/A:	£625,000	Value Total:	Up to £6,250,000
Reviewed by Competition Board <input type="checkbox"/>	01/06/2018	<input type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This project is to enable the Transport Services Unit to procure via the best available terms (eg. Leasing, Contract Hire or other purchase methods including Prudential Borrowing), motor vehicles and associated equipment and fittings. This would be carried out in accordance with the needs and requirements of the Council's various Departments. The duration of this contract is likely to cover the life-span of most vehicles supplied under this project and to allow subsequently a new formal Fleet Replacement Strategy to be created meeting the future needs of all Fleet Users.

The contract has important benefits to the local Community and residents specifically and London in general in several ways. The Council's present fleet has performed well but may now be regarded as old in commercial and technical terms. Maintenance costs are now increasing as major components are worn out and need to be replaced to ensure the vehicle remains serviceable.

The Council's present fleet does not meet the new and stringent exhaust emission requirements recently announced by the Mayor of London for introduction, albeit in stages from 2017 to 2020. Some further consultation is proposed. However, as a minimum, the Borough's western extremity which overlaps the TfL Congestion Charge Zone, will form an initial part of the Ultra-Low Emission Zone applicable to all vehicles. Consultation continues as to the possible extension of this zone which would, most likely include the entire Tower Hamlets area. The keys benefits to implementing this project therefore include reduced fuel consumption, a significant reduction to vehicle emissions including Nitrogen Oxide (NOx), Particulate Matter (PM) as part of each vehicle's compliance with Stage 6 of the European Standards (known as Euro 6/VI). Some improvement to CO2 emissions is also anticipated as vehicles will be more fuel efficient and where possible using automated transmission systems to ensure vehicles are driven in the correct gear at all times.

A substantial part of the Council's Passenger Transport fleet is now over ten years old and replacement is now urgent required. In addition to the technical benefits already noted, new vehicles would offer clients (our passengers) easier access/egress to vehicles via improved and revised step/floor and platform designs, re-designed seating, and the latest integrated climate control systems. This would ensure a constant ambient temperature inside the vehicle regardless of external weather conditions. New vehicles are inherently quieter and offer a smoother ride with improved air suspension systems.

The opportunity under this project will also include the introduction of fully electric vans and cars following successful testing and trialling over the past eighteen months. This would be new innovation and would work in partnership with other Council departments to install the necessary infrastructure to support the growing number of electric vehicles being introduced by the Council and other organisations in the area including Tower Hamlets Homes.

This project seeks to include the replacement of up to 160 new vehicles, including as noted above, cars, vans, trucks, passenger vehicles and other types for specialist or dedicated purposes. Procurement of new vehicles categories into two phases

- Phase 1 - includes minibuses on lease
- Phase 2 - LCV's and all smaller vehicles on lease.

The project proposes to seek supply of vehicles via established Public Sector frameworks and Consortia, noting the specialisms of certain frameworks for specific vehicle types. Approval to seek vehicles via the best

available terms including leasing, contract hire and direct purchase where this should prove prudent to do so. In addition to this we will be working on the development of a Dynamic Purchasing System (DPS) with the Procurement Department.

- A Dynamic Purchasing System (DPS) is an electronic system designed for the purchase of commonly-used goods, works or service over a stated period of time.
- It is a process designed to assist the buyer by setting up and maintaining a list of providers from whom the buyer can achieve better value for money for commonly used purchases, such as consultancy, design and print, passenger transport, translation services – all as and when the need arises.
- A DPS can last for a longer time period to a framework and new buyers can join at any time, so you always have fresh competition joining your personal marketplace.

It remains vital that the Council's vehicle fleet fully meets or exceeds the operational standards required by all appropriate enforcement organisations whilst also minimising any environmental impacts of its daily activity.

Contracting Approach

The project proposes to seek supply of vehicles via established Public Sector frameworks and Consortia, including a LBTH Dynamic Purchasing System, noting the specialisms of certain frameworks for specific vehicle types. Approval to seek vehicles via the best available terms including leasing, contract hire and direct purchase where this should prove prudent to do so.

Community Benefits

The new Passenger Vehicle fleet within the project would provide significantly improved vehicles for Home to School transport services, with improved features and operational reliability. Vehicle interiors would be re-designed to provide pleasant surroundings a more comfortable journey. This would benefit all passengers but particular those with special needs, and vulnerable adults and elders.

The Council's present fleet is old and includes vehicles meeting only European Emission standards of Level 4 and 5. Whilst functional and routinely satisfactory, there is awareness that these vehicles continue to cause increased levels of air pollution, which could be improved by using newer and cleaner vehicles. The Council's Clean Air Strategy must be supported in real terms and this commitment may be exemplified by the Council's commitment to introduce new zero or low emission vehicles. This would also support the Council's objective to minimise the impacts caused to the environment in general for the benefit of all citizens.

Contract Ref & Title	LPG5297 - Print and Design Framework (2018)		
Procurement Category:	Corp Services	Funding:	GF and Departmental
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	01/01/2018	Contract Duration and Extensions:	Up to 10 years
Value P/A:	£500,000	Value Total:	£5,000,000
Reviewed by Competition Board <input checked="" type="checkbox"/>	11/12/2017	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

This is an update on and further to the Report to Cabinet dated January 2018 when the strategy for the provision of print and design services for four years via an LBTH framework was approved.

A Strategy Review has been undertaken and various alternatives considered and the proposal now is to take advantage of changes to the Public Contract Regulations that came about with the PCR 2015 and these made the use of Dynamic Purchasing Systems (DPS) much more flexible and user-friendly.

The proposal involves the setting-up of a DPS instead of a Framework, which has several advantages, including:

- 10-year life instead of 4 years (reduced procurement costs)
- The facility to recruit new suppliers over its entire life (increased competition, new ideas, replacement of natural commercial wastage)
- Simpler quotation processes (no cumbersome mini-competition processes)
- Bespoke software that facilitates the quotation process (fully auditable processes)

A further advantage is that the proposal includes the option of opening up the DPS to other local authorities, with the benefit of generating income on all sales made to external users. This will support the council's savings targets.

The value shown above is the anticipated LBTH spend over the 10-year life of the DPS.

Contract Ref & Title	P5350 - Affordable Workspace at Bethnal Green Library		
Procurement Category:	Construction and FM	Funding:	N/A (Concession Contract)
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	July 2018	Contract Duration and Extensions:	3 plus 2 years
Value P/A:	Estimated maximum £114,417	Value Total:	Estimated maximum £572,085
Reviewed by Competition Board <input type="checkbox"/>	01/06/2018	<input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

Provision of affordable workspace at the first floor of Bethnal Green Library, Cambridge Heath Road, London, E2 0HL incorporating the demise as referred to in the Lease, the particulars of which will be outlined within the returned Method Statements by Contractors as part of the procurement process.

Contracting Approach

The Competitive procedure with Negotiation procurement route is proposed for this service, this approach will enable the Council to select which elements of the service to dialogue. To ensure that the maximum return possible is achieved, one of the dialogue areas will be Community Benefits. By discussing this during dialogue the Council will better understand the initial proposals from bidders and will be in a position to help bidders fully understand Council's objectives.

Community Benefits

Community Benefits to be drawn from Contractor's Community Benefits Plan (CBP) submitted as part of the procurement process. CBP will be scored past on the following:

- Contribution to overall Whitechapel High Street Fund project targets (being new jobs created, businesses supported and start-up businesses assisted);
- Commitment to running events for the local community and encouraging community participation, including in conjunction with the Bethnal Green Idea Store (Library Service);
- Project impact on the site and the immediate area, assessed in potential for crime reduction and reduced risk of dilapidation; and
- Promotion of Social Cohesion in the area (as informed by the goals contained with the *Getting along together* LBTH Social Cohesion Toolkit)

Contract Ref & Title	CS5275 Speech and Language Therapy (SaLT)		
Procurement Category:	Care & Commissioning	Funding:	Children's Services
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	30/04/2018	Contract Duration and Extensions:	12+12+12 months
Value P/A:	£240k	Value Total:	Up to £720k
Reviewed by Competition Board <input checked="" type="checkbox"/>	16/04/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

The Council has a statutory duty to provide support for children and young people with special educational needs. One such service is Speech and Language Therapy (SaLT), which for this service will support primarily school pupils to access the national curriculum.

The service will be for primary school pupils in mainstream and special schools within the London Borough of Tower Hamlets. The principal mode of delivery for the service will be to train teaching professionals to be able to deliver some SaLT through newly acquired skills and tools to be used in the classroom; then via formal and accredited training courses teaching professionals will be able to deliver more complex SaLT. This approach will be complimented by group and 1:1 interventions delivered directly by the service provider.

Whilst primarily the service will be delivered in schools and term time there is scope for providers to consider a nuanced approach to delivery, which could include work outside of the locations and times cited.

Providers will contribute into the review of individual Education, Health & Care Plans as well as annual or other periodical reviews by schools.

Contracting Approach

We intend to go through an open tender for the service; this is in line with both internal procurement policy and also EU procurement regulations. Cabinet has previously approved this service via the local authority entering into a section 75 agreement with Tower Hamlets CCG; however after reviewing this arrangement it is clear it not due to the nature of the CCGs contract with the provider, and thus the local authority will now lead on tendering for this service.

The service specification has been drafted, reviewed and agreed trilaterally across Pupil Services, SEND and Children's Commissioning; the specification will inform the assessment criteria and the panel will be comprise of representatives from the 3 aforementioned departments.

We intend to tender this service for a 1 year +1+1. This is to allow a more comprehensive consideration of the service, with potential opportunities for a joint approach with the CCG.

Community Benefits

The specification requires that any new recruitment into the funded service must make reasonable efforts to recruit locally. The provider will also procure facilities within Tower Hamlets as and when required i.e. spaces for delivery of training and will respond more broadly to this question in the tender response.

Contract Ref & Title	HAC5356 0-5 specialist community Public Health nursing		
Procurement Category:	Services	Funding:	Public Health Grant
Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/>	10/09/2018	Contract Duration and Extensions:	3 + 1 + 1
Value P/A:	£7,038,489	Value Total:	£21,115,467 (3 years)
Reviewed by Competition Board <input type="checkbox"/>	01/06/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

Responsibility for commissioning the 0-5 specialist community Public Health nursing services transferred from NHS England to the Council on 1st October 2015. These services are comprised of the Health Visiting Service and the Family Nurse Partnership.

These services are currently delivered in Tower Hamlets through two local providers. The Health Visiting Service is delivered by Tower Hamlets GP Care Group CIC and the Family Nurse Partnership is delivered by Compass Wellbeing CIC.

Contracting Approach

A full EU open tender procurement process will be required. The tender will be under one contract divided into 2 lots. The market for providing these services has matured since commissioning responsibility transferred from NHSE. Should there be a sole applicant Public health commissioners will seek to move to a negotiated open tender process. Commissioners will review whether there are options for partnership or consortium delivery.

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities, volunteer opportunities, work placements and work with local schools.

Contract Ref & Title	Contract Services		
Procurement Category:	Corp Services	Funding:	Traded Service
Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/>	N/A	Contract Duration and Extensions:	FY 2018/19
Value P/A:	As per table below	Value Total:	As per table below
Reviewed by Competition Board <input type="checkbox"/>	01/06/2018	<input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract	

Scope of Contract

Contract Services manages vital catering services for the provision of school meals, meals on wheels as well as other catering and hospitality services requirements. Continuation of the provision of these live services is essential in order to feed our customers.

It is known that relatively recent history has seen a continuous turnover of managerial staff, each with varying degrees of cognisance of procurement procedures, with the result that many of the supply contracts have either been commissioned in a way that is ultra vires to due commissioning process. There is now a collaborative effort in place between Contract Services Management, Legal Services and Procurement to address these shortfalls but the diverse range of contracts involved means that a number of different strategies will need to be deployed to address them all.

Whilst resolving ultra vires contracts is merely a matter of time and persistence, there is also need to ensure a continuation of supplies to meet the needs of Contract Services whilst the corrective actions are undertaken.

Procedures lay down that Purchase Orders (PO's) cannot be cleared unless there is a supporting contract in place.

Contracting Approach

It is requested that the contracts listed in the table below be procured through Procurement Across London (PAL) framework as well through the council's quotation procedures for an interim period. Cabinet approval is being sought to agree the award of the interim contracts for a period of twelve months to enable service provision to continue whilst the remedial actions are undertaken.

Sites	Supplier	Description of Catering Supplies	2018/19 Value
Welfare	Prescott Thomas	Supply of fresh fruit & Vegetables from April 2018 - March 2019	£25,000
All Schools	Prescott Thomas	Supply of fresh fruit & Vegetables from April 2018 - March 2019	£460,000
CPU Education	Prescott Thomas	Supply of fresh fruit & Vegetables from April 2018 - March 2019	£85,000
Welfare	RAJ Foods	Halal, Kosher & Ethnic Meals from April 2018 - March 2019	£45,000
All Schools	Jones Dairies	Supply of local Organic Milk from April 2018 - March 2019	£60,000
Welfare	William White Meats Ltd	Supply of fresh & frozen meat from April 2018 – March 2019	£60,000
All Schools	William White Meats Ltd	Supply of fresh & frozen meat from April 2018 – March 2019	£1,000,000
CPU Education	William White Meats Ltd	Supply of fresh & frozen meat from April 2018 – March 2019	£85,000
Swanlea	William White Meats Ltd	Supply of fresh & frozen meat from April 2018 – March 2019	£30,000

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