

London Borough of Tower Hamlets community governance review

Initial analysis and draft recommendations

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Introduction

Tower Hamlets Council received a valid petition on 23 July 2018 from 324 local residents requesting the creation of a new parish council, which they wished to be titled 'Spitalfields Town Council'. The boundaries of the parish proposed in the petition would sit within the two wards of Spitalfields & Banglatown and Weavers.

On receipt of a valid petition the council is required to carry out a community governance review under the provisions of the Local Government and Public Involvement in Health Act 2007. This review is considering whether a new parish should be created. The review covers the area proposed by the petitioners as well as adjacent areas. For the purposes of the review the council has defined adjacent areas as comprising the two wards of Spitalfields & Banglatown and Weavers. The parish boundaries proposed by the petitioners falls within these two wards.

The revised terms of reference for the review extending the phase 2 consultation period to twelve weeks are attached as an appendix to the cover report.

The wording of the petition was as follows:

"We, the undersigned, are electors who live in Spitalfields and believe that Spitalfields should have a Town Council which we hope will be subdivided into at least three electoral wards.

"We ask that Tower Hamlets Council undertake a Community Governance Review in accordance with its duties under Section 83 of the Act. We hope that the outcome of this review leads to the creation of a new local council for Spitalfields to be called Spitalfields Town Council, which would work with Tower Hamlets to represent our community and bring about improvements to our town. We recommend the Town Council area includes Spitalfields Neighbourhood Planning Area and the Former Bishopsgate Goods Yard site (only that part within Tower Hamlets)."

A map showing the boundaries of the parish proposed by the petitioners was presented with the petition. This map is shown in the community governance review terms of reference.

As part of a community governance review the council is required to consult all local government electors in the area covered by the review as well as any other person, organisation or business who has an interest.

Two consultation phases are taking place as part of the review. The first phase ran from 8 October 2018 and closed on 31 December 2018. This sought views on the proposals in the petition. This report summarises the feedback the council received from the first phase of the consultation, clarifies the options available and presents the council's draft recommendations for consultation.

The second stage of consultation, on the council's draft recommendations, will take place from 4 March to 26 May 2019. Local government electors as well as any other person, organisation or business that has an interest in the review will be able to respond to the council's draft recommendations.

A final decision will be made by the council in July 2019.

Phase 1 consultation summary

Consultation methods

Phase 1 of the community governance review consultation sought views on the petitioners' proposal from local government electors in the two wards of Spitalfields & Banglatown and Weavers as well as any other person, organisation or business that appeared to have an interest in the review.

The council stated that its preferred means for people to respond to the consultation was on its website through an online questionnaire. Additionally, a designated email address was advertised, allowing respondents to request a paper copy questionnaire or any additional information or support they needed to help inform them of the process and how to respond.

Supporting information on the council website included terms of reference for the review, the phase 1 consultation document and a detailed map of the parish boundaries proposed by the petitioners. At the request of the Spitalfields & Banglatown Town Council Campaign, the council also added a link to the National Association of Local Councils' booklet 'All About Local Councils'.

The council wrote to all households in the two wards under review drawing their attention to the community governance review and informing them how they could respond. Emails and letters were also sent to resident associations and community groups in the area, Third Sector organisations, all councillors, local MPs, neighbouring boroughs, the GLA and others.

To ensure that the consultation would reach a wide cross section of the community a decision was taken to use community researchers employed by the council. They conducted outreach to raise awareness of the consultation and to encourage people to complete the questionnaire online. They distributed posters and fliers in both English and Bengali. The community researchers also supported nineteen people to complete a questionnaire. During the consultation period a review of demographic information showed lower than expected response rates from women and people of Bangladeshi ethnicity. The community researchers were tasked with developing strategies for increasing responses from these two groups. This included outreach at places of worship and local schools.

Consultation questions:

In order to ascertain views on the petitioners' proposals the council asked the following questions:

1. Do you support the proposal to create a parish council ('Town Council') for the Spitalfields area? Please give the reasons for your response.
2. Do you support the proposed boundaries for the parish council ('Town Council'). Please give the reasons for your response.
3. If a parish council is created, the petitioners propose that it is called 'Spitalfields Town Council'. What do you think?
4. If a parish council is created, the petitioners propose that it is divided into at least three electoral wards. What do you think?

Consultation responses

In all, 892 valid responses were received. Of these 515 were received via the survey on the council website. A further 377 responses were received on paper (19 questionnaires from community researchers employed by the council, 358 from questionnaires handed in at the council reception).

A full analysis of the phase 1 consultation responses can be found on the council website at

www.towerhamlets.gov.uk/lgnl/council_and_democracy/consultations.

This section summarises the key findings of that report.

Of all responses received 75% were against the proposal to create a parish council, with 25% supporting the proposal. A majority from all areas opposed the proposal but opposition was particularly strong in areas outside the boundary proposed by the petitioners. Of those living within the proposed parish boundary 39% supported the proposal to create a parish council and 61% were against.

There are differences in the level of support for the proposal based on the response channels used. All but one of the papers response oppose the creation of a parish. This contrasts with the online responses, where two in five support a new parish. All the responses handed in at the council reception oppose the creation of a parish council. The council understands that these were collected and submitted by campaigners against the proposals in the petition. The council is aware that there are groups campaigning actively both for and against the proposal to create a parish council.

The reasons given for opposition vary greatly. Almost a quarter (24%) are worried that the creation of a parish council will divide the local community. Respondents also have financial concerns in terms of having to pay more taxes (18%). Others were concerned that the proposal would divide wealthy areas from more deprived areas (15%).

Of those supporting the proposal to create a parish council the main reasons given were wanting to have a voice in local decision making (25%), greater local democracy (23%) and a desire to address the needs of the area (18%).

The majority of respondents oppose the boundary proposed by the petitioners (80%). This indicates that even amongst some who support the proposal in general there are issues with the proposed boundary. Again the level of opposition varies by location, with marginally more support for the boundaries, amongst those located in the area proposed by the petitioners (35%). The reasons why respondents oppose these boundaries vary. Almost a quarter oppose the proposals in general and so oppose the boundaries (23%). Similarly, almost a quarter oppose the boundaries because they believe it will divide communities (23%).

About three out of five (59%) of respondents do not agree with naming the parish council 'Spitalfields Town Council'. Just over half of those who responded online disagree with the name (51%) compared with 78% of those who responded in other ways.

There was no overall consensus on proposals for electoral arrangements. About one in five (21%) agree with that there should at least three electoral wards, while 45% disagree.

Key considerations

Identity and interests of the community in the area

When considering a proposal to create a new parish a principal council must consider whether the proposal is reflective of the identities and interests of the community in that area.¹ Parishes should reflect distinctive and recognisable communities of interest, with their own sense of identity. The feeling of local community and the wishes of local inhabitants are key considerations that a principal council needs to take into account.²

In a borough like Tower Hamlets, there may well be a variety of different communities of interest; for example, representing age, gender, ethnicity, faith or life-style groups. There are other communities with specific interests in schools, hospitals or in leisure pursuits. Any number of communities of interest may flourish in an area but they do not necessarily centre on a specific place or help to define it.

Spitalfields as a place name has appeared in records since the Middle Ages. The area is recognised as a distinct identifiable place in the council's Local Development Framework 2010. Government guidance states that boundaries should reflect the 'no-man's land' between communities represented by areas of low population or barriers such as rivers, roads or railways. They need to be, and be likely to remain, easily identifiable.³ In a densely populated urban area like Tower Hamlets there are not always such clear physical boundaries between communities.

¹ Local Government & Public Involvement in Health Act 2007 93(4)

² Guidance on Community Governance Reviews. DCLG 2010 s.59

³ Guidance on Community Governance Reviews. DCLG 2010 s.83

Government guidance also suggests that principal councils consider the impact on community cohesion of community governance arrangements.⁴ Cohesion issues are connected to the way people perceive how their local community is composed and what it represents, and the creation of parishes and parish councils may contribute to improving community cohesion. However, the guidance specifically asks principal councils to consider whether a recommendation made by petitioners will undermine community cohesion in any part of its area.⁵

Community governance arrangements should reflect, and be sufficiently representative of, people living across the whole community and not just a discrete cross-section or small part of it. A principal council is further advised not to make a decision to create a parish and a parish council which reflects community identities and interests in the area and at the same time threatens community cohesion. Principal councils may decline to set up such community governance arrangements where they judge that to do so would not be in the interests of either the local community or surrounding communities, and where the effect would be likely to damage community cohesion.⁶

Effective and convenient local governance

Legislation requires a principal council to consider whether a parish council would be an effective and convenient form of local governance. The government has stated that by 'effective and convenient' it means that a parish council is able to deliver quality services economically and efficiently, and give users of services a democratic voice in the decisions that affect them.⁷

Clarifying the role of a parish council

We want people to clearly understand what a parish council is, what it can do and the implications of setting one up. This section restates some of the facts about the functions of a parish council contained within the phase 1 consultation document. It also corrects some of the misconceptions that arose during the first phase of the consultation.

The functions of parish councils

A parish council operates at a local level below the principal council, in this case Tower Hamlets Council. A parish council can also be called 'community council', 'neighbourhood council', 'village council', or 'town council'. The universal term is 'local council'. They all operate within the same legal framework. Parish councils are the lowest tier of local government. They are not linked to any religion or religious institution.

A parish council is a democratically elected, additional and legally independent tier of local government with its own councillors, which can provide a range of local services within a defined area. A parish council is not

⁴ Guidance on Community Governance Reviews. DCLG 2010 s.67

⁵ Guidance on Community Governance Reviews. DCLG 2010 s.75

⁶ Guidance on Community Governance Reviews. DCLG 2010 s.74

⁷ Guidance on Community Governance Reviews. DCLG 2010 s.62

a replacement for a principal council and will not deliver complete independence and autonomy for an area.

Parish councils' activities fall into three main categories: representing the local community; delivering services to meet local needs; and striving to improve quality of life and community well-being.

Parish councils are not tasked with statutory responsibilities relating to the provision of housing, social care, education and waste collection. They are a statutory consultee in relation to planning but they are not a planning authority.

They have the option to exercise a variety of powers and duties, including the delivery of a small number of specific local services that add to those provided by the principal council including allotments, bridleways, burial grounds, bus shelters, car parks, commons and open spaces, community transport schemes, community safety and crime reduction measures, events and festivals, footpaths, leisure and sports facilities, litter bins, public toilets, street cleaning and lighting, tourism activities, traffic calming measures, village greens and youth projects.

A parish council can choose not to deliver any services and instead act purely as a means of influencing local service provision made by the principal council or other partners such as the police. Alternatively, a parish council can provide additional services to those provided by the principal council such as the provision of car parking with the consent of the principal council.

When a parish council is formed it can enter into discussions with the principal council (e.g. Tower Hamlets Council) about the transfer of services, budgets and assets within the service areas listed above. However this is subject to mutual agreement and securing "best value" by law.

The Localism Act 2011 enables parish councils and others to express an interest in running a local authority service. This is called the community right to challenge (CRC). Exceptions to this are services that are excluded by legislation (e.g. packages of services for health and social care for named individuals). The CRC relates to 'relevant services' and not functions. Principal councils must consider an expression of interest to run a local authority service submitted by a parish council or other relevant group. There are various reasons why an expression of interest can be rejected or modified, but if it is accepted, the authority must carry out a procurement exercise. There is no guarantee that the eventual provider of the service would be the organisation that launched the expression of interest. Parish councils can also exercise the community right to bid to purchase assets of community value if they come up for sale, for example a pub, shop or community hall.

The Localism Act 2011 also created a new process for neighbourhood planning, which enables parish councils, as well as neighbourhood forums, to work with the principal council (the planning authority) to create a plan for their

area. The plan sets out policies and priorities for the physical development of the area and must be in accordance with the local development plan approved by the planning authority and the secretary of state.

Guidance on neighbourhood planning in Tower Hamlets can be found on the council's website at:

www.towerhamlets.gov.uk/lgnl/planning_and_building_control

More information about parish councils can be found online:

www.gov.uk/government/get-involved/take-part/set-up-a-town-or-parish-council

www.nalc.gov.uk/our-work/create-a-council

Financing a parish council

It is important that residents are clear about the potential costs of a parish council and the likely cost to council tax payers within a parish. Parish councils are funded principally through an annual precept, an additional council tax levied on eligible individuals. This is set by the principal council in the first year and then by the parish council itself once elected. Nationally, the average Band D precept charged by a parish or charter trustee for 2018-19 will be £64.05, an increase of £3.02, or 4.9%, from 2017-18.⁸

The tax base for a parish council in the area shown on the map as option 1 is estimated at 3,277 Band D equivalent properties. At the national average of a £64.05 precept, the estimated total precept for a parish council in this area would be in the region of £209,892.⁹

[FIGURES FOR OPTIONS 2 AND 3 HERE]]

A parish can also be funded through income generated through, for example, car parks or markets. A parish council would also be eligible for a portion (15-25%) of the Community Infrastructure Levy collected in the area. Parish councils do not receive any contributions from business rates.

Parish councils have to consider the scope of service delivery they propose, any income that can be generated, the tax base and the precept they wish to charge. This funding supports the governance and administration of the parish council and the additional services it provides. All councils have costs related to the actual functions of running a council. In the case of a parish council such costs include democratic, management, civic and central administrative expenses.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700668/Council_tax_levels_set_by_local_authorities_in_England_2018-19_revised.pdf

⁹ If a council tax collection rate of 97.25% is assumed then the figure would be 3,177 Band D equivalent properties with an estimated total precept of £203,487

[BENCHMARKING INFORMATION SECTION TO BE ADDED HERE FOR PUBLISHED VERSION.]

Options appraisal

The council is mindful of its duty to have regard to the need to secure that community governance within the area under review:

- a) reflects the identities and interests of the community in that area, and
- b) is effective and convenient¹⁰¹¹

Relevant considerations which influence judgements against these two principal criteria include the impact on community cohesion, and the size, population and boundaries of the proposed area.

Where a principal council has conducted a review following receipt of a petition, it will remain open to the council to make a recommendation which is different to the recommendation the petitioners wished the review to make.¹² This could be different boundaries, electoral arrangements or a different name from those set out in the petition.

After considering responses to the first phase of consultation the council believes that there are four broad options for community governance in the Spitalfields area.

a) *Adopt the petitioners' proposals in full*

This would entail the creation of a new parish along the boundaries set out in the petition, with a parish council established. It would also involve the establishment of a number of wards with up to three councillors elected for each of those wards. The council is unable to give the new parish council the style 'Town Council'. This would be a matter for the parish council, if it were to be established.

The council will not be including the boundary set out in the petition for further consultation. At this stage the council is of the view that the original boundary proposal could have a potentially negative impact on community cohesion. The parish area proposed is significantly less deprived than neighbourhoods to the south, east and north of the proposed parish boundary, potentially dividing more affluent communities from their less affluent neighbours.

¹⁰ Local Government & Public Involvement in Health Act 2007 93(4)

¹¹ The government has said that the effectiveness and convenience of local government is best understood in the context of a local authority's ability to deliver quality services economically and efficiently, and give users of services a democratic voice in the decisions that affect them. Guidance on community governance reviews 2010 para 62

¹² Guidance on community governance reviews 2010 para 95 [CHECK REF]

b) *Create a parish council but with modifications to the proposals made in the petition*

While the council is not persuaded at this stage that the creation of a parish would be in the interest of the local community or a suitable for the delivery of services it wishes to consult further on these matters.

At this stage the council believes that if a parish were to be created its boundaries would need to vary from the original proposal in the petition. Any boundary proposal would need to clearly reflect the identities and interests of the community and be effective and convenient in terms of service delivery. Relevant considerations which influence judgements against these two principal criteria include the impact on community cohesion, and the size, population and boundaries of the proposed area.

During phase 1 of the consultation the Spitalfields & Banglatown Town Council Campaign proposed an extension of the boundary of the proposed parish eastwards. The council will consult on a modified version of this boundary proposal, which does not include the Bishopsgate Goods Yard site. This area is shown on the map at Appendix 2 as option 1 for consultation.

The council will not include the former Bishopsgate Goods Yard site in any option for consultation for the following reasons. The site has strategic significance and is shared with the London Borough of Hackney. It abuts onto the area covered by the East Shoreditch Neighbourhood Planning Area which also has an interest. The site is awaiting development and has no residents to consult. The council will keep this area under review and may consider it in a future community governance review if a parish were to be created.

The council will include two further boundary options for consultation in phase 2.

- a boundary following the Spitalfields & Bangaltown ward boundary on the west as far south as the neighbourhood planning area boundary. This boundary is shown on the map at Appendix 2 as option 2 for consultation.
- A possible extension of the above area southwards to the Whitechapel Road.) This area is shown on the map at Appendix 2 as option 3 for consultation.

The map at Appendix 2 shows the parish boundary options that the council will be putting forward for further public consultation. The council considers these boundaries better balance different considerations in respect of community identity, service provision and clear natural boundaries.

Following consultation in phase 1, if a parish were to be created, the council recommends that it should be called 'Spitalfields & Banglatown Parish'.

If a new parish and parish council were to be created, the principal council has a duty to make consequential recommendations covering electoral arrangements for a parish council should one be established. Tower Hamlets Council will follow national guidance on electoral arrangements including the number of parish council wards and councillors.

c) Reject the proposal to create a parish council and retain existing governance arrangements

The council respects the views of the local government electors who signed the original petition which triggered this community governance review. However, it is also mindful that they represent only 8.6% of the electorate within the proposed parish boundary (3784 registered electors). Only 222 responses in favour of the proposal to create a parish were received by the council during phase 1 of the consultation. The council does not regard this level of support as indicating strong local opinion in favour of a parish being established.

At this stage the council believes that the proposal to create a parish is not be reflective of the identity and interests of the community in the area nor would it provide effective and convenient local governance. It has significant concerns about the impact that establishing such a parish would have on community cohesion.

d) Reject the proposal to create a parish council but instead create or strengthen non-parish forms of community governance.

The council has a duty to take into account any other arrangements that could be made for the purposes of community engagement or community representation in respect of the area under review.¹³ The council is currently reviewing arrangements to strengthen local democratic accountability across the borough. Options under consideration include strengthening neighbourhood management arrangements, area or community forums, or additional support for residents and community associations.

The council's conclusions and recommendations

The council is treating the petition from over three hundred local government electors with the utmost seriousness, as an expression of the wishes of those individuals. However, the council is also mindful of its duty to ensure that the other residents in the area, surrounding areas and the wider borough can have a say.

¹³ Local Government & Public Involvement in Health Act 2007 93(5)

Following the first phase of consultation and subsequent analysis the council's assessment, prior to the second consultation phase and analysis taking place, is that it is not at this point persuaded that creating a parish would reflect the identities and interests of the community in that area nor be an effective and convenient form of local governance. Our reasons are as follows:

- i) The council does not believe that there is significant local support for the proposal to create a parish although it recognises that there are committed campaigners both for and against.
- ii) The council acknowledges the historic and current identity of Spitalfields as a place, however it does not believe that the creation of a parish would best reflect the interests of the community in that area. Community identity is diverse and complex with many different interests and needs which have to be balanced.
- iii) The council is particularly concerned that the establishment of a parish could have a negative impact on community cohesion. This was a significant concern expressed by respondents in phase 1 of consultation. The council would welcome views on how these concerns could be addressed.
- iv) The option of a parish council for the Spitalfields area should also be considered alongside the broader needs of the borough. The strength of its many local communities adds up to a bigger community that is more than the sum of its parts. In the council's view all areas of the borough should contribute to its civic life and public services.
- v) The council does not believe that the original proposal by the petitioners would lead to the delivery of effective and efficient local governance in terms of value for money or service provision. The council would welcome views on whether the extended boundaries proposed would address this concern.

The council has set out what it believes are the four broad options:

- a) Adopt the petitioners' proposals in full*
- b) Create a parish council but with modifications to the proposals made in the petition*
- c) Reject the proposal to create a parish council and retain existing governance arrangements*
- d) Reject the proposal to create a parish council but instead create or strengthen non-parish forms of community governance.*

The council remains strongly committed to localism and community engagement within the borough. We acknowledge that the borough cannot and should not be run from one central location and the diversity of the borough and local needs must be reflected in how decisions are made. We

committed to giving local people a greater say over decisions that affect them and an enhanced focus on responding to service users and local communities.

At this stage the council's recommended option is option d). It will be seeking, through consultation and engagement outside the scope of this community governance review, proposals and ideas for how non parish forms of community governance could be created or strengthened.

The council will also consult further on options b) and d). It acknowledges that parish councils are not a familiar form of local government in London and that information needs to be available to help local people come to a final view on their preferred option.

What happens next?

In this report the council has set out its draft recommendations and the rationale for them. Before it makes a final decision it will consult further on these as required by law.¹⁴ Phase 2 of the community governance review will take place from 4 March to 26 May 2019.

In accordance with the terms of reference for the review the council will consult on its draft recommendations with all local government electors for the wards of Spitalfields and Banglatown and Weavers, and any other person, organisation or business who appears to have an interest in the review.

The council will write to all those who submitted a response in phase 1 of the consultation inviting them to give their views on the draft recommendations. It will also write to households in the area who did not submit a response inviting them to also contribute to the review. Letters will be accompanied by an FAQ or similar providing factual information about parish councils including their legal status, powers and how they are funded. It will also include information about the likely cost of a parish council to local council tax payers if one were to be established.

A full consultation document will be posted on the council's website and may also be requested by email or post.

An online consultation form will be made available on the council's website. This is the council's preferred method for gathering views for reasons of cost and efficiency. However, the council recognises that this may not be suitable for everyone. It will therefore make the consultation form available for download, or send it by email or post on request. Responses by letter will also be accepted. Individuals may ask for support in making a response if they are unable to do this themselves. The minimum requirement for a paper consultation response to be deemed valid is that a full name, address and signature are provided.

¹⁴ Local Government & Public Involvement in Health Act 2007 93(3)

The council will organise a number of information giving events within the area under review. A static information display will be located for viewing in a public place within the area. General communications and targeted publicity about the review will be released throughout the consultation period. The council will concentrate efforts to publicise the consultation within the areas of the proposed boundaries.

All information relating to the community governance review will be published on the council's website.

The community governance review will conclude in July 2019 with a final decision made by the council.

Appendix 1 Community Governance Review terms of reference

[REVISED TOR HERE]

Appendix 2 Boundary maps
[MAPS HERE]