

# OVERVIEW & SCRUTINY COMMITTEE

Wednesday, 14 August 2019 at 6.30 p.m., Room C1, 1st Floor, Town Hall,  
Mulberry Place, 5 Clove Crescent, London, E14 2BG

**This meeting is open to the public to attend.**

**Members:**

**Chair:** Councillor James King

**Vice Chair:** Councillor Sufia Alam

Scrutiny Lead for Children & Education

Councillor Kahar Chowdhury

Scrutiny Lead for Health & Adults

Councillor Dipa Das

Scrutiny Lead for Housing & Regeneration

Councillor Marc Francis

Councillor Tarik Khan

Scrutiny Lead for Resources & Finance

Councillor Eve McQuillan

Bethnal Green Ward

Councillor Bex White

Scrutiny Lead for Community Safety &  
Environment

Councillor Andrew Wood

**Contact for further enquiries:**

David Knight, Democratic Services

1st Floor, Town Hall, Town Hall, Mulberry Place, 5 Clove Crescent,  
London, E14 2BG

Tel: 020 7364 4878

E-mail: [david.knight@towerhamlets.gov.uk](mailto:david.knight@towerhamlets.gov.uk)

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

Scan this code for  
the electronic  
agenda:



## Public Information

### **Attendance at meetings.**

The public are welcome to attend meetings of the Committee. However seating is limited and offered on a first come first served basis.

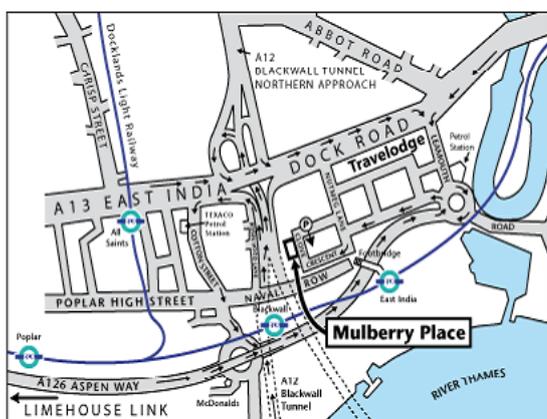
### **Audio/Visual recording of meetings.**

Should you wish to film the meeting, please contact the Committee Officer shown on the agenda front page.

### **Mobile telephones**

Please switch your mobile telephone on to silent mode whilst in the meeting.

### **Access information for the Town Hall, Mulberry Place.**



**Bus:** Routes: D3, D6, D7, D8, 15, 108, and 115 all stop near the Town Hall.

**Docklands Light Railway:** Nearest stations are East India: Head across the bridge and then through complex to the Town Hall, Mulberry Place Blackwall station. Across the bus station then turn right to the back of the Town Hall complex, through the gates and archway to the Town Hall.

**Tube:** The closest tube stations are Canning Town and Canary Wharf

**Car Parking:** There is limited visitor pay and display parking at the Town Hall (free from 6pm)

If you are viewing this on line: ([http://www.towerhamlets.gov.uk/content\\_pages/contact\\_us.aspx](http://www.towerhamlets.gov.uk/content_pages/contact_us.aspx))

### **Meeting access/special requirements.**

The Town Hall is accessible to people with special needs. There are accessible toilets, lifts to venues. Disabled parking bays and an induction loop system for people with hearing difficulties are available. Documents can be made available in large print, Braille or audio version. For further information, contact the Officer shown on the front of the agenda



### **Fire alarm**

If the fire alarm sounds please leave the building immediately by the nearest available fire exit without deviating to collect belongings. Fire wardens will direct you to the exits and to the fire assembly point. If you are unable to use the stairs, a member of staff will direct you to a safe area. The meeting will reconvene if it is safe to do so, otherwise it will stand adjourned.

### **Electronic agendas reports and minutes.**

Copies of agendas, reports and minutes for council meetings can also be found on our website from day of publication.

To access this, click [www.towerhamlets.gov.uk/committee](http://www.towerhamlets.gov.uk/committee) and search for the relevant committee and meeting date.

Agendas are available at the Town Hall, Libraries, Idea Centres and One Stop Shops and on the Mod.Gov, iPad and Android apps.



QR code for smart phone users.

<b>SECTION ONE</b>	<b>WARD</b>	<b>PAGE NUMBER(S)</b>
<b>1. APOLOGIES FOR ABSENCE</b>		
To receive any apologies for absence.		
<b>2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST</b>		<b>9 - 12</b>
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.		
<b>3. UNRESTRICTED REPORTS 'CALLED IN'</b>		
<b>3.1 Local Community Fund</b>	<b>All Wards</b>	<b>13 - 166</b>
The report "Local Community Fund" was considered by the Mayor in Cabinet on 31st July, 2019. The following was agreed and published on Friday 2nd August, 2019		
<ol style="list-style-type: none"> <li>1. To agree the Local Community Fund programme and funding to individual organisations as set out in appendix F to the report for a period of 42 months from 1st October 2019 to 31st March 2023, subject to agreement of detailed funding agreements setting out the outcomes the funded projects are expected to achieve and conditions of funding. Subject to the following: <ol style="list-style-type: none"> <li>a. That a delivery plan for the mitigation measures set out in paragraph 3.56 of the report, including how these will address the concerns raised at Cabinet with regards to meeting the needs of Somali and other minority community residents, be presented to the Mayor for consideration and agreement prior to the conclusion of the final funding agreements set out in Appendix F;</li> </ol> </li> </ol>		

- b. That the 'Advice and Information' Scheme 3A, will not be implemented until a further report is presented to the Mayor setting out how the recommended advice consortium will provide wide geographic coverage including in the south west area of the borough and will reach excluded communities; and
  - c. That the report referred to in 1a above will include appropriate timelines for the mitigation measures set out in the Equality Analysis Action Plan referred to in 3 below.
2. To agree that transitional arrangements will be put in place for funded organisations set out in paragraphs 3.54 to 3.58 of the report;
  3. To note the Equality Analysis and the specific equalities considerations as set out in paragraph 4 of the report and to agree the Equality Analysis Action Plan set out in appendix A to the report; and
  4. That a separate report be presented to the Mayor setting out how the Council supports areas such as 'play', 'sports' and 'activities for elders' outside of the Local Community Fund programme and how the conclusion of Mainstream Grants will impact on these programmes.

The above has been 'Called-In' by Cllr Puru Miah; Cllr Ehtasham Haque; Cllr Shah Ameen; Cllr Shad Chowdhury and Cllr Gabriela Salva Macallan. This is in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

## **RECOMMENDATION**

That the Overview and Scrutiny Committee (OSC) considers:

1. The contents of the attached report, review the Mayor in Cabinet's decision (provisional, subject to Call In) arising; and
2. Decide whether to accept the decision or to refer the matter back to the Mayor with proposals and reasons.

## **CONSIDERATION OF THE “CALL IN”**

Having met the “Call In” request criteria, the matter is referred to the OSC in order to determine the “Call In” and decide whether or not to refer the matter back to Cabinet for further consideration.

The following procedure is to be followed by the Committee for consideration of the “Call In”:

- Chair to invite a call-in member to present call-in.
- Chair to invite members of the Committee to ask question.
- Chair to Invite Cabinet Member to respond to the call-in.
- Chair to invite members of the Committee to ask questions.
- Followed by a general debate.

**N.B.** In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4th June, 2013, any Member(s) who present(s) the “Call In” is (are) not eligible to participate in the general debate.

It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Mayoral decision/s), or to refer the matter back to the Mayor for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

### **3 .2 LBTH/THH Strategic Review of Housing Management Options**

**167 - 280**

The report “Strategic Review of Housing Management Options” was considered by the Mayor in Cabinet on 31st July, 2019. The following decisions were agreed and published on Friday 2nd August, 2019

1. To note the findings of Altair’s independent review of current housing management arrangements and appraisal of future options (Appendix 1 to the report).

2. To note the outcome of the recent consultation exercise (Appendix 2 to the report) and agree to proceed with the extension of the Council's management agreement with Tower Hamlets Homes for four years (to 2024), with a possible extension for a further four years (to 2028).
3. To delegate to the Corporate Director (Place) after consultation with the Corporate Director (Governance), authority to complete the said extension by July 2020 and do all that is necessary for this purpose including negotiating and approving a revised Management Agreement.

Decisions above have been 'Called-In' by Cllr Puru Miah; Cllr Ehtasham Haque; Cllr Shah Ameen; Cllr Shad Chowdhury and Cllr Gabriela Salva Macallan. This is in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

## **RECOMMENDATION**

That the Overview and Scrutiny Committee (OSC) considers:

1. The contents of the attached report, review the Mayor in Cabinet's decision (provisional, subject to Call In) arising; and
2. Decide whether to accept the decision or to refer the matter back to the Mayor with proposals and reasons.

## **CONSIDERATION OF THE "CALL IN"**

Having met the "Call In" request criteria, the matter is referred to the OSC in order to determine the "Call In" and decide whether or not to refer the matter back to Cabinet for further consideration.

The following procedure is to be followed by the Committee for consideration of the "Call In":

- Chair to invite a call-in member to present call-in.

- Chair to invite members of the Committee to ask question.
- Chair to Invite Cabinet Member to respond to the call-in.
- Chair to invite members of the Committee to ask questions.
- Followed by a general debate.

**N.B.** In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4th June, 2013, any Member(s) who present(s) the “Call In” is (are) not eligible to participate in the general debate.

It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Mayoral decision/s), or to refer the matter back to the Mayor for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

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

The Call-In documents are presented as unrestricted documents on the agenda. However, should the committee need to discuss any matters that were exempt/restricted then the Committee are recommended to adopt the following motion:

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

#### **Next Ordinary Meeting of the Overview and Scrutiny Committee**

Monday, 23 September 2019 at 6.30 p.m. to be held in Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

This page is intentionally left blank

# 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>

This page is intentionally left blank

**LONDON BOROUGH OF TOWER HAMLETS**

**OVERVIEW AND SCRUTINY COMMITTEE**

**“CALL IN”  
REQUISITION**

WE THE UNDERSIGNED WISH TO “CALL IN” FOR CONSIDERATION BY THE OVERVIEW AND SCRUTINY COMMITTEE OF THE LONDON BOROUGH OF TOWER HAMLETS THE PROVISIONAL DECISION (S) OF THE MAYOR IN **CABINET** TAKEN ON Wednesday 31 July 2019 IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO. - 6.2 Local Community Fund

- Councillor - Puru Miah (Sign) \_\_\_\_\_ (Print)
- Councillor - Gabriela Salva-Macallan (Sign) \_\_\_\_\_ (Print)
- Councillor - Ehtasham Haque (Sign) \_\_\_\_\_ (Print)
- Councillor - Shad Chowdhury (Sign) \_\_\_\_\_ (Print)
- Councillor - Shah Ameen (Sign) \_\_\_\_\_ (Print)

Decisions relating to education matters can also be “Called In” by 2 Church, Faith or Parent Governor Representatives who have been co-opted the Committee.

- Co-opted Member \_\_\_\_\_ (Sign) \_\_\_\_\_ (Print)
- Co-opted Member \_\_\_\_\_ (Sign) \_\_\_\_\_ (Print)

Dated \_\_\_\_\_

*Once completed please return to Matthew Mannion, Head of Democratic Services  
Telephone: 020 7364 4651*

**LONDON BOROUGH OF TOWER HAMLETS**

**OVERVIEW AND SCRUTINY COMMITTEE – 2018/2019**

**“CALL IN” REQUISITION**

<b><u>AGENDA ITEM NO.</u></b>	<b><u>6.2</u></b>
<b><u>REPORT TITLE/ DATE OF CABINET MEETING</u></b>	Local Community Fund - Wednesday 31st July 2019 Cabinet Meeting
	<p>1. The Equality Analysis 6.2a shows that there are many gaps in the proposed awards of the Local Community Fund 6.2f. For example, no groups from the Somali Community (for example Wadajir Somali Community Centre and Somali Parent and Play Association ) were awarded any funding, neither are any organised play groups, or old peoples luncheon clubs. Focusing on the particular case of play, some of the most vulnerable families and children use services at Toyhouse, Attlee Centre, Weavers Adventure Playground, Glamis Adventure (run by Shadwell Community Project) and SPLASH Play all of whom were not recommended for LCF funding. There was 131 applicants organisations, majority of the unsuccessful applicants appear to be BAME lead. For example:</p> <ul style="list-style-type: none"><li>● Tower Hamlets Parents Centre</li><li>● Vallance Community Association</li><li>● Limehouse Welfare</li><li>● Cubitt Town Association</li><li>● Locksley and Turners Residents Association</li><li>● Boundary Association</li><li>● Apasenth</li><li>● etc.</li></ul> <p>Certain Parts of the Boroughs were not geographically covered, for example Wapping Bangladeshi Association, Stifford and BYM/</p> <p>2. There is not enough clarity around the delivery plan for the mitigation measures set out in paragraph 3.56 of the report. The mitigation report and the Local Community Fund 6.2 are linked and should be subject to the same level of scrutiny. As the decision is published that is not the case.</p>

3. Third, the framework adopted in the Local Community Fund is one contrary to one currently adopted by the Executive. On the 31st October 2018, lead Cabinet member for Environment Cllr David Edgar 6.8 Waste and Cleansing Management Delivery Options cited the APSE paper, 'Insourcing: A guide to bringing Local Authority services back in house'. The paper calls into question reliance on market-based approaches to meet public service aspirations. APSE along with CLES has helped Local Authorities throughout the country do spend analysis as a means of an additional toolkit when making procurement decisions. In the context of the Local Community Fund, there were no audits carried out with the applicants in terms of gender, BAME, and locality of employees, including pay gaps within the organisation in terms of local demographic representation.
4. Fourth, there are legitimate concerns raised that the organisations listed in 6.2f have already have funding in place for other funding via the Council, for example Youth Provision and Tower Hamlets Homes.
5. There are legitimate questions around the rigorousness and transparency the procurement process and suitability of the East London Community Foundation (EECF) as the independent assessor, bringing into question the recommendations made in 6.2f.
6. The procurement process for external assessor only received one bid when there are many local and national organisation with relevant competence should have been attracted to ensure value for money. This has raised concerns from community stakeholders on the transparency of procurement process.  
  
<https://drive.google.com/open?id=0BzpYsgLulHrzbUVuc2VUTGo1cGVQQ01BVE1QQXFtR291QTRB>
7. Make up of EECFs management team lacks diversity, raising legitimate questions on how they would have applied the spirit of diversity, equality in assessing grant application from a very diverse third sector in Tower Hamlets.
8. The LCF should be considering the asset management policy of the council. Therefore, any rent increases should be revenue neutral, a good example is the Limehouse Welfare Association, which is facing rent increases, therefore any

	grant allocated will go towards the rent and not towards the organisations activities.
<b><u>REASONS FOR “CALL IN”</u></b>	
ALTERNATIVE COURSE OF ACTION PROPOSED	<p>To delay the decision of Local Community Fund programme and funding to individual organisations as set out in appendix F to the report for a period of 42 months from 1st October 2019 to 31st March 2023, till the cabinet meeting of 25th September 2019. This will allow the plan for the mitigation measures set out in paragraph 3.56 of the report to go to Overview and Scrutiny for the 23rd September 2019.</p> <p>If necessary extend the MSG programme by a month, and delay the implementation by a month, so as to provide coverage in terms of services while the decision goes to the Cabinet meeting on the 25th September 2019.</p> <p>This will allow the Council time to do spend analysis, and audits of organisations listed in 6.2f, in terms of gender, BAME and locality. Also, allow the Council to answer legitimate questions of double (in some cases triple) dipping by organisations in 6.2f in terms of Council funding. The council already does this in terms of gender amongst its own employees.</p> <p><a href="https://drive.google.com/open?id=0BzpYsgLulHrzUUkxTFNHYTlzbkNrN3YzWWZGOW5GSldhVmVV">https://drive.google.com/open?id=0BzpYsgLulHrzUUkxTFNHYTlzbkNrN3YzWWZGOW5GSldhVmVV</a></p> <p>Therefore the spend analysis, as well as the mitigation report should be sent to all elected members to allow them to consider and feedback on the report.</p> <p>That both reports should be given to all elected members, and views given to a special session of Overview and Scrutiny before the September 2019 Cabinet meeting, as there are legitimate concerns with regard to the awarding of the East End Community Foundation as the independent assessor for applicants to the Local Community Fund. Therefore elected members can express their views in terms of 6.2f, spend analysis and mitigation report. The views to go back to Cabinet on the 25th September 2019 for final consideration.</p>

**WITHIN THE COUNCIL'S  
POLICY OR BUDGET  
FRAMEWORK -  
Please indicate**

Yes.

This page is intentionally left blank

<b>Cabinet</b>  31 July 2019	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Will Tuckley, Chief Executive	<b>Classification:</b> Unrestricted
<b>Local Community Fund</b>	

<b>Lead Member</b>	<b>John Biggs, the Mayor</b> <b>Councillor Candida Ronald, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	David Freeman, VCS Strategy Manager
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	2 July 2019
<b>Reason for Key Decision</b>	Impact on Wards
<b>Strategic Plan Priority / Outcome</b>	<b>All</b>

### Executive Summary

This report presents proposals for funding fifty projects provided by voluntary and community sector (VCS) organisations through the Local Community Fund (LCF) for the period 1<sup>st</sup> October 2019 to 31<sup>st</sup> March 2023 amounting to £9.31m over the 42 month period.

Despite many councils reducing their funding for the voluntary and community sector, Tower Hamlets has protected the current level of spending investing £2.6m a year to fund LCF projects. Despite the high level of funding available, the programme was significantly oversubscribed with bids for 240 projects submitted by over 130 organisations totalling more than £10m a year. This is almost four times the available budget and has meant that some strong bids were unfortunately unsuccessful.

In addition to the LCF the council has also launched a new Small Grants Programme with grants of between £200 and £5,000 available for projects running for up to 12-months. Larger grants of £20,000 are available through the community cohesion theme.

In light of the historical challenges the council has faced with regards to its previous Mainstream Grants (MSG) programme, including the Government's removal of the councils grant making powers under the previous Mayor, the council has adopted a

new and enhanced process of assessment for the LCF. This report sets out the robust and independent process which was undertaken to assess the bids including external double assessment and moderation followed by a detailed equalities impact assessment and mitigation process.

The recommended programme will support a wide range of VCS activities across five themes which were agreed by Cabinet in 2018. The proposed programme will contribute to achieving the outcomes for local residents set out in the Tower Hamlets Plan and the Council's Strategic Plan and will be flexible and responsive in meeting complex local needs.

The development of the programme, the bidding process and the assessment of bids are set out in the report, highlighting the high levels of participation of the VCS in all aspects from the initial co-production of the policy framework of the LCF through to the assessment criteria and scoring.

Some activities currently funded through MSG will not be funded through the Local Community Fund. Some of these may be significant, good quality services which no longer meet highest priority needs but which are, none the less, valued by the people who use them. The council recognises that in any period of change it is important to ensure that this happens in a managed, orderly way and that, as far as possible, adverse impact on the sustainability of organisations and quality provision for their service users is mitigated. This report sets out a range of measures to help support organisations and their service users during this transitional period.

A thorough assessment of the equality implications of the new programme has been undertaken. Where potential negative impacts have been identified the report sets out proposals at 3.55 and 3.56 for mitigation including recommendations to establish new themes in our Small Grants Programme to support projects which combat social isolation of older people, particularly in BAME communities, and to provide referral gateways for people from BAME communities. The report also recommends targeted commissioning of projects to meet thematic gaps in the proposed LCF programme including:

- early intervention and support for families leading complex lives particularly with children with disabilities;
- support for young carers, and
- support for young people with mental health issues.

The report and Equality Analysis also sets out the geographic distribution of services which will be provided through the LCF programme.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Agree the Local Community Fund programme and funding to individual organisations as set out in appendix F of this report for a period of 42 months from 1<sup>st</sup> October 2019 to 31<sup>st</sup> March 2023, subject to agreement of detailed funding agreements setting out the outcomes the funded projects are expected to achieve and conditions of funding
2. Agree that transitional arrangements will be put in place for funded organisations set out in paragraphs 3.54 to 3.58
3. Note the Equality Analysis and the specific equalities considerations as set out in paragraph 4 and to agree the Equality Analysis Action Plan set out in appendix A

## **1 REASONS FOR THE DECISIONS**

- 1.1 The council has made a commitment in its Voluntary and Community Sector (VCS) Strategy 2016-19 to supporting a vibrant and sustainable voluntary sector in the borough. As part of this commitment the council has undertaken to continue to support the VCS through specific funding programmes to enable VCS organisations to participate in the delivery of high quality public services to local residents.
- 1.2 The council's principal funding stream specifically for services provided by the VCS, the Mainstream Grants Programme, ends on 30<sup>th</sup> September 2019. The Local Community Fund, alongside the Small Grants Programme, is intended to replace the Mainstream Grants Programme (MSG) at the current level of £2.66m per annum.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The council could decide to cease specific funding directed towards supporting services and activities delivered by VCS organisations. However, the council agreed in 2016 a VCS Strategy which recognises the unique place of the VCS in the local community continues the commitment of the council to supporting services and activities delivered by VCS organisations.
- 2.2 The council could decide it wishes to fund a programme different from that recommended. The LCF programme is based on a policy framework co-designed with the VCS and previously agreed at Cabinet, invitations to bid to funding schemes developed from that framework, the assessment of bids based on agreed criteria, an analysis of the equality considerations relating to the programme and the principles of best value. If the council decided it wished to fund an alternative programme, the approach to developing such a

programme would need to be significantly different from the LCF. Pursuing this option would also require consideration of the impact of the current funding programme coming to an end without an agreed replacement or the extension of MSG funding for a further period.

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

#### **Summary**

- 3.1 This report presents proposals for a new funding programme, the Local Community Fund, which replaces the former Mainstream Grants programme. The proposed programme includes a diverse range of projects which meet the priority areas and outcomes of the LCF programme. Of the 50 projects recommended for funding, 15 are new projects from organisations which have not been supported through the MSG programme. Others are new projects from organisations the council has funded previously or developments of projects funded through MSG.
- 3.2 The number of good quality bids to the programme was high with 240 projects submitted by more than 130 organisations. The range of bids covered almost all of the priority service areas set out in the LCF prospectus. Inevitably the programme has been heavily oversubscribed with over £10m of bids against an annual budget of £2.66m. Many bids were from organisations which have not been funded previously by the council and most were local. Of the 20 organisations which submitted bids and are based outside the borough, the majority already work in Tower Hamlets or have strong connections through local partners.
- 3.3 Developed with a very high level of participation from VCS organisations through the co-production of the LCF framework, themes and priorities, this programme illustrates the changing relationship between the council and the VCS with increasing levels of confidence and trust and a positive commitment from the VCS to be involved in the transformation of public service and the delivery of high quality outcomes for local residents.
- 3.4 Transitional arrangements are set out to help ensure a smooth transition for service users of MSG projects which may not be funded through the LCF. These arrangements also form part of the mitigation of some of the issues highlighted in the equality analysis.

#### **Context**

- 3.5 The council is committed to supporting a vibrant, innovative and sustainable voluntary and community sector in Tower Hamlets which is equipped to deliver activities that are flexible and responsive in meeting complex local needs. These activities will contribute towards achieving the outcomes for local residents set out in the Tower Hamlets Plan and the council's Strategic

Plan. The model of change set out in the Tower Hamlets Plan underpins the principles of new LCF funding proposals with a focus on outcomes and assets rather than prescriptive solutions, prevention through early intervention and greater integration of services.

- 3.6 The LCF funding proposals also reflect the vision set out in the VCS Strategy committing the council to working towards achieving, *“an independent and sustainable voluntary and community sector, working closely with the council and partners to meet the needs of local people wherever they live in the borough”*.
- 3.7 The LCF programme of £2.66m is a comparatively small proportion of the total financial support to the sector but it provides an important source of funding to the small and medium size VCS organisations and helps leverage other funding sources for the borough. Since 2008, in England and Wales, local authority support for small and medium size charities has fallen nationally by 44% (Lloyds Foundation report *“Small and Medium Size Charities After the Crash”*). In this context, Tower Hamlets has been one of the local authorities which have striven to maintain support for local VCS organisations and, through a focus on building the capacity of the sector, encouraged expansion and growth. The VCS Strategy sets out the total level of support to the sector through grants, rate relief and service contracts amounting to £59m, including £24m support to housing associations for services such as supported accommodation.
- 3.8 The two VCS funding programmes, Local Community Fund and Small Grants, present a new approach to funding the sector focused on co-production delivering outcomes for local people and a more effective use of the limited resources available, recognising the value the VCS can bring to delivering better outcomes for local residents.
- 3.9 The framework, rationale and approach for the Local Community Fund programme was developed in co-production with the VCS and agreed by the Mayor in Cabinet on 20<sup>th</sup> March 2018. The report sets out the rationale for moving from a traditional grant based programme of support to the VCS towards a new funding approach which reflects the development of good practice in open and transparent funding of services from the VCS required by the Commissioners. As previously noted, this commitment to implementing change has contributed towards the lifting of the Direction by the government. In particular, the proposals for the Local Community Fund programme put in place robust governance and the separation of officer and Member responsibilities which the Local Government Association (LGA) Peer Review recognised as good practice and as a safeguard against some of the issues which gave rise to the Direction imposed by Secretary of State in 2014.
- 3.10 The principles of the new funding programme were developed in 2018 through an extensive programme of discussion and consultation with the VCS and other stakeholders. The key principles agreed at Cabinet were:

- a. The programme will be a new range of services funded by the council and co-produced with the VCS. The time available before the new programme starts allows an opportunity to ensure it takes into account good practice and learning from current MSG provision in deciding what should be funded in future.
- b. The programme will, as far as possible, operate as a single coordinated entity, with a coherent approach to funding and common approach to the programme's outputs and outcomes across the different themes for delivery.
- c. The programme is being developed with consideration of the council's new Grants Policy and existing strategic priorities. This maximises impact and avoids funding overlap, as well as supporting the delivery of the Tower Hamlets Plan and Strategic Plan
- d. The proposed new programme will fit with the council's wider Commissioning Framework and Co-production Framework recommendations, currently being developed.
- e. The programme will adopt an outcomes based approach, allowing organisations to build on local knowledge, skills and expertise and have the flexibility to undertake the activities which have the most impact.
- f. The programme is intended to stimulate greater and more effective support in tackling local issues. This principle will inform the determination of the programme budget.
- g. The bidding process will be transparent and fair.

3.11 Following further work with the VCS a second report was presented to Cabinet on 31<sup>st</sup> October 2018 which set out:

- a. The structure and outcomes framework for the Local Community Fund programme;
- b. Proposals for continued engagement with the voluntary and community sector in the co-production of the programme, and
- c. Noted the new programme represented a change in the approach to commissioning previously agreed.

## Local Community Fund Framework

- 3.12 The detail of the Local Community Fund programme is set out at appendix B. The programme is set out in five Themes which are sub divided into more detailed Schemes. These are set out in the table below.

Theme	Scheme
Inclusion, Health and Wellbeing	Scheme 1A – Children, Young People and Families
	Scheme 1B – Older People
	Scheme 1C – Access, information and self-management
	Scheme 1D - Healthy living and healthy choices
	Scheme 1E – Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues
Digital Inclusion and Awareness	Scheme 2A – ICT skills and digital careers
	Scheme 2B – Online Safety
	Scheme 2C - Improving health and wellbeing facilitated through digital platforms
Advice and Information	Scheme 3A - Advice and Information
Employment and skills	Scheme 4A - Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work
	Scheme 4B - Reducing barriers to employment for disadvantaged groups
	Scheme 4C - Support focused on increasing access to art and cultural industries
Community safety	Scheme 5A – Reduction in the exploitation of children, young people and other vulnerable groups
	Scheme 5B – Improving the perception of young people in the community
	Scheme 5C – Services for people affected by domestic violence or other unsafe circumstances

- 3.13 Each scheme set out key priorities and high level outcomes which organisations were required to demonstrate their projects would contribute towards. This approach is different from previous funding programmes where the type of service was more prescriptive and more outputs focussed. This change in approach allows greater flexibility for the sector to develop new ideas and approaches towards achieving better outcomes for Tower Hamlets residents.

## Budget allocation

- 3.14 The proposed budget allocation to the Local Community Fund Programme agreed at Cabinet on 31<sup>st</sup> October 2018 is £2.66m. This is based on maintaining the current level of expenditure for MSG themes 1, 2 and 3.
- 3.15 A commitment to maintain current levels of expenditure on VCS services in a period of financial challenge for the council reflects the value placed on projects provided by the sector as set out in the VCS Strategy and the longer term benefits to local residents of maintaining a dynamic and effective VCS. Underspend and some undercommitment in the existing MSG budget allows some savings to be made while maintaining actual expenditure. The anticipated savings amount to approximately £180,000, 6% of the current budget.
- 3.16 The programme includes two new themes, Community Safety and Digital Awareness and Inclusion, which were not explicitly included in the MSG programme. An allocation has been made to each of these themes based on a reallocation of 10% of the available budget.
- 3.17 The co-production exercise also highlighted the increasing need for information and advice and the role VCS providers can play in delivering quality services to communities through both generic services and specialist targeted activity. The overall allocation to the Information and Advice theme was increased by 10%.
- 3.18 The allocation of the £2.66m annual budget to each LCF Theme is set out below. Spend will be reported on as part of the monitoring and evaluation process for the programme.

Budget Allocation						
	Inclusion, Health and Wellbeing	Digital Inclusion	Information and Advice	Employment and Skills	Community Safety	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Theme Total	990	60	980	435	195	<b>2,660</b>

## Developing the LCF prospectus

- 3.19 The council is committed to increasing the involvement of local people in the way services are designed and delivered. This has been demonstrated through the approach to developing the LCF from first principles through to the detail of the assessment and scoring criteria for bids to the programme.
- 3.20 Some of the developmental work carried out with the VCS and other stakeholders has been reported previously to Cabinet in March and October 2018. Appendix C sets this out in detail and describes the work carried out with the sector to shape the final programme, demonstrating the breadth of

involvement across the VCS and other partner agencies such as the Clinical Commissioning Group (CCG).

- 3.21 Some of the key points detailed in the appendix are:
- a. Six public events were held in the spring of 2018 to develop the LCF framework and priorities attended by an average 50 organisations;
  - b. Six thematic workshops held during the autumn of 2018 with a seventh general session to develop the themes and high level outcomes with average attendance of over 30 organisations at each session;
  - c. Two further sessions were held early in 2019 to finalise the outcomes and develop the prospectus for the LCF including the assessment and scoring criteria;
  - d. 124 different organisations participated in the sessions during the autumn of 2018 and early 2019 with most attending several times;
  - e. Participation was not limited to those which intended submit bids to the LCF. Only half of the organisations which participated in the co-production subsequently submitted a bid.
- 3.22 Participation was not limited to council run public events. Organisations were encouraged to contribute via email and one to one conversations as well as events organised by Tower Hamlets Council for Voluntary Service (THCVS) and Volunteer Centre Tower Hamlets (VCTH).

### **Bidding process**

- 3.23 The LCF opened for bidding on 25th March. The programme was open for eight weeks, slightly longer than previous funding rounds which have typically been four to six weeks. It was promoted through direct mailing to over 500 individual VCS contacts by the council, via the THCVS mailing list, through other VCS networks, through the council's website and social media. Members were offered the opportunity of a briefing on the LCF to assist them to promote the programme in their local areas. Periodic updates were circulated during the period the programme was open to bidding
- 3.24 Organisations were required to bid through the on line process which the council has used for previous funding programmes and which is also used by a number of other funders such as Children in Need and the Esme Fairbairn Foundation. All of the documentation relating to the programme including forms, guidance, the assessment criteria and the individual funding Schemes were posted on the council's website with a widely promoted 'quick link' to the relevant pages. To streamline the process for organisations which might wish to submit a number of projects, two separate forms were required. The information relating to the organisation, its governance and management were included in a form which organisations were asked to submit only once and a second form was used for information relating to each individual project.
- 3.25 Training and support was provided by the council, THCVS and VCTH staff. The programme is set out in detail in appendix D.

- 3.26 There was a very high level of participation in the training and support sessions with a total of 167 separate organisations attending council run sessions and 211 attending those run by THCVS. Taking account of overlap, in total 290 organisations participated.
- 3.27 Overall attendance was high and indicates the promotion of the programme across VCS was effective. However, of the 71 organisations listed as main grant holders under the MSG programme just under three quarters attended at least one event by either THCVS, the council, or both. To some extent this may be because some organisations decided to bid as a consortium so only one might have attended council or THCVS events and others may have felt they were familiar with the process and therefore did not need to attend.
- 3.28 Three quarters of the organisations that applied to the LCF attended either council or THCVS events. 90% of the organisations recommended for funding attended.
- 3.29 The programme closed for bids at 12.00 noon on 17<sup>th</sup> May. As agreed at Cabinet on 31<sup>st</sup> October 2018, arrangements had been made for the bids to be externally assessed. Following a formal procurement exercise the successful bidder for this work was the East End Community Foundation (EECF). EECF has previous experience as the external assessor for the current MSG programme, the assessor for the Tackling Poverty grants programme and managing the council's Small Grants Fund programme. Through its network of other community foundations, charitable trusts and freelance funding assessors EECF has access to experienced grants assessors with the broad range of skills and experience required to properly assess a programme as diverse as the LCF. The council supported the training of the assessors and officers were available to respond to queries throughout the process.
- 3.30 The EECF used the criteria and scoring developed by the council with the VCS earlier this year which was published as part of the LCF prospectus on the council website (Appendix E). A standard double assessment and moderation methodology was used. The moderation was carried out by EECF staff with external assessors and the CEO of THCVS.

### **Assessment of bids**

- 3.31 239 eligible bids were received from 131 organisations. Of these, six organisations failed to pass the organisational assessment. The bids submitted by these organisations were assessed but none were sufficiently high scoring to be included in the recommendations for funding.

3.32 The total value of the bids received (amount per year) was over £10m, as set out below.

	<b>Bids received</b>	<b>Budget</b>
Theme 1 - Inclusion, Health and Wellbeing	5,168,178	900,000
Theme 2 - Digital Inclusion	221,991	60,000
Theme 3 - Information and Advice	1,556,150	980,000
Theme 4 - Employment and Skills	2,486,259	435,000
Theme 5 - Community Safety	637,747	195,000
<b>Total</b>	<b>10,070,327</b>	<b>2,660,000</b>

3.33 The total programme is approximately four times oversubscribed. Theme 3 was the least oversubscribed because most of the potential bidders submitted consortia bids.

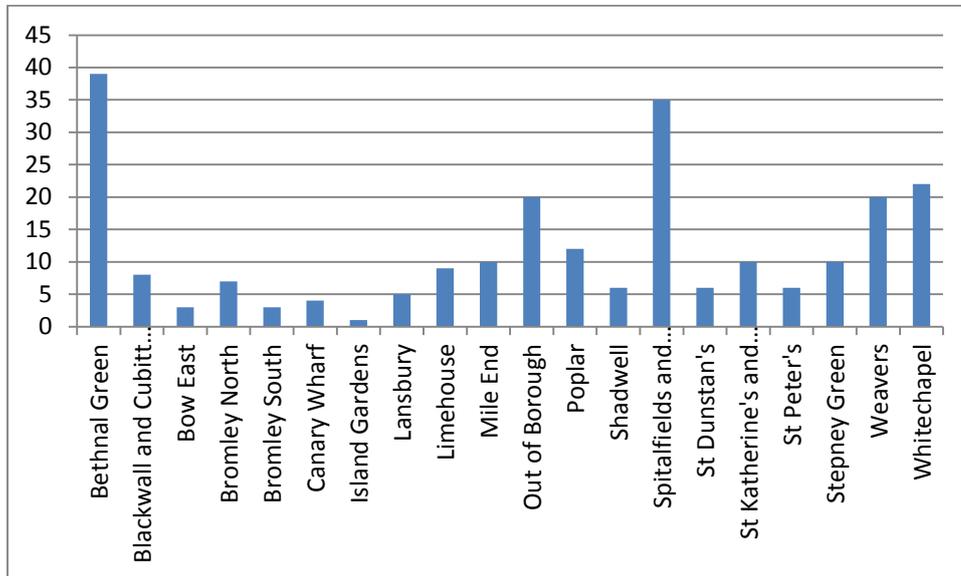
3.34 Themes 1 and 4 received the highest number of bids and are the most oversubscribed.

3.35 All of the schemes received bids though the numbers were low in some. With the exception of Information and Advice the numbers of bids were generally proportionate to the amount of funding available. Also, Digital Inclusion and Community Safety are new themes and therefore likely to attract a smaller number of bids with fewer established services seeking further funding.

3.36 Most of the priority areas identified in the schemes received bids. However, one, support for young carers, had no bids. The organisation which had previously supported young carers did not bid to continue this service and no alternative projects came forward. This is highlighted in the equality analysis.

3.37 The quality of bids was generally high but in some priority areas there were no appropriate bids and further consideration may need to be given to addressing these gaps. These are also highlighted in the equality analysis.

3.38 The table below shows the geographic distribution of where organisations which submitted bids are based. This shows that the majority of organisations which submitted bids are based in the borough. Only 20 bids (8%) came from organisations which are based outside of the borough and, of these, the majority are sub-regional groups such as the Citizens' Advice Bureau which cover a small number of east London boroughs.



3.39 The highest number of bids came from organisations based in Bethnal Green (30%) and Spitalfields and Banglatown (27%). Island Gardens had the lowest number with only one organisation based in that ward submitting bids.

3.40 Where an organisation is based is not necessarily the determinant of where its main beneficiaries may live. However, low numbers of VCS organisations in particular wards is an indicator of where the council might need to consider targeting resources to develop VCS activity.

### 3.41 **Proposed Programme**

3.42 The recommended funding set out in Appendix F provides a programme based on the principles agreed by Cabinet and endorsed by the VCS through its participation in the co-production of the LCF programme.

- 3.43 The programme includes a balance of new projects from organisations which are not currently funded, new projects from organisations which have been funded for other work and projects which develop and take forward existing funded services. These are set out below.

	<b>Theme 1</b>	<b>Theme 2</b>	<b>Theme 3</b>	<b>Theme 4</b>	<b>Theme 5</b>
<b>New project from non-funded org</b>	9	1	0	1	4
<b>New project from MSG funded org</b>	5	4	0	6	3
<b>Existing funded project</b>	13	0	2	2	0
<b>Total</b>	<b>27</b>	<b>5</b>	<b>2</b>	<b>9</b>	<b>7</b>

- 3.44 The annual levels of funding for each project range in size from the advice consortium of 11 providers at £930,000 to the £5,000 proposed for the Wapping Bangladesh Association digital inclusion project. The average level of funding for each theme is set out in the table below.

	<b>Theme 1</b>	<b>Theme 2</b>	<b>Theme 3</b>	<b>Theme 4</b>	<b>Theme 5</b>
<b>Number of projects</b>	27	5	2	9	7
<b>Average level of funding</b>	37,500	11,700	440,000	50,500	26,000

- 3.45 The projects which are recommended for funding are based on principles developed with the VCS as part of the co-production process:

- a. Primary determinant is the score against the agreed assessment criteria
- b. Funding recommended at the level requested
- c. Duplication must address additional need
- d. Capacity to address geographic differentials of need
- e. Analysis of impact on people with protected equality characteristics.

- 3.46 Each scheme was allocated a budget. While to some extent these budgets reflected the historic allocation of fund to service areas, they also indicated the likely capacity of VCS organisations to deliver in these areas. The recommendations set out in Appendix F reflect the scores achieved by projects and the range of projects which could be funded within the allocated budget taking account of the principle set out above.

- 3.47 There are a small number of exceptions. In one Digital Inclusion scheme (Theme 2 Scheme C) it was noted that the highest scoring bid was scored lower than bids in the other two Digital Inclusion schemes. This is a new theme and, on balance, officers consider that it would be more beneficial to reallocate the budget for Scheme C to fund projects in the other two schemes, both of which received more, and higher scoring, bids.

- 3.48 In Theme 1 Scheme A, the bid from East London Out benefits three schemes so this would be funded from the overall theme budget rather than being allocated to a particular scheme.
- 3.49 In some schemes where the available budget has been insufficient to fund the next highest scoring bid a lower cost project is recommended where the difference in score is only one or two points.
- 3.50 The geographic spreads of services which are recommended for funding are shown graphically in Appendix G. With limited funds available and bids not necessarily covering priority service areas across the borough, the proposed funding programme will inevitably have gaps. Some are considered in the context of the equality analysis below.
- 3.51 All of the schemes include recommended bids which have stated they will provide a borough wide service. An additional level of assessment has been carried out where organisations have claimed their proposals would have a borough wide reach to establish that there is reasonable evidence to support this. This evidence may be from previous council funding history, track record or other information contained in the funding bid. Officers will also ensure in the contract mobilisation that geographic areas of need are specifically addressed.
- 3.52 Many organisations whose bids are recommended are known to the council. In considering which bids to recommend, officers have reviewed past performance and record of delivery. None of the organisations whose bids are recommended have significant and persistent service delivery issues of sufficient concern to affect the recommendations. Future compliance and assessment arrangements will be proportionate based on risk. Past performance of existing funded organisation will be part of that assessment of risk.
- 3.53 The contract mobilisation process and ongoing compliance and assessment of successful bids will include considerations of risk, targeting of service provision and monitoring in the context of the council's statutory equality duties.

### **Currently funded services and Transitional Arrangements**

- 3.54 Some activities currently funded through MSG will not be funded through the Local Community Fund. Some of these may be significant, good quality services which no longer meet highest priority needs but which are, none the less, important in their communities. The council recognises that in any period of change it is important to ensure that this happens in a managed, orderly way and that, as far as possible, adverse impact on the sustainability of organisations and quality provision for their service users is mitigated.

- 3.55 To reduce the impact of change the council will:
- a. Give as much notice as possible when decisions are made to give organisations the opportunity to adjust to their new funding levels;
  - b. Work with organisations to seek alternative provision for service users where a service is significantly reduced or comes to an end;
  - c. Work with funded organisations especially at contract mobilisation to target and promote new services funded under LCF programme;
  - d. Support a programme of capacity building to increase organisations' chance of bidding successfully, provided by THCVS, the council and other providers;
  - e. Develop and launch a new Tower Hamlets funders forum to help identify and promote local funding sources;
  - f. Make available, through THCVS and other partners as appropriate, a programme of support available in advance of the end of MSG to help VCS organisations in the transition from MSG to either alternative funding or an orderly change in the level of service;
  - g. Continue the VCS Small Grants programme and link to other funders to provide funding opportunities for organisations to meet new and emerging needs and develop new ways of tackling existing needs
  - h. Promote and support Tower Hamlets Spacehive programme to help organisations to access crowdfunding;
  - i. Retain the Emergency Fund to help organisations meet the costs of transition, particularly those directly linked to lower levels of revenue funding, and
  - j. Develop specific equality mitigation as set out below
- 3.56 The support offered to organisations facing significant change and possible cessation of service will be a major element of the council's proposed mitigation of potential disproportionate negative impact on people with protected equality characteristics identified in paragraph 4 below. In order to help mitigate specific negative equality impacts the council will:
- a. Include a new theme in the Small Grants Programme to support projects which combat social isolation of older people, particularly in BAME communities, through day facilities which will be reviewed over time in the context of the development of the council's review of day care for older people;
  - b. Include a new theme in the Small Grants Programme relating to access and participation to establish schemes to provide referral gateways for people from BAME communities;
  - c. Provide transitional support where appropriate for services currently funded through MSG until funding is available from the new Small Grants programme themes identified above for alternative services where a significant equality impact is identified.
  - d. Provide transitional support for community language services currently funded through MSG pending the outcome of the wider review of community language services;
  - e. Address through targeted commissioning arrangements specific gaps in services identified in the equality analysis including:

- early intervention and support for families leading complex lives particularly with children with disabilities;
- support for young carers, and
- support for young people with mental health issues.

3.57 The report to Cabinet on 31<sup>st</sup> October 2018 identified that there would be savings to the council amounting to £180k per annum resulting from unallocated resources in the current MSG budget. The medium term financial strategy identifies these savings will be made in 2021/22. The unallocated £180k will therefore be available to support the transition activities identified above in 2019/20 and 20/21.

3.58 A further report will be brought forward setting out in detail the proposed new Small Grants themes and other transitional arrangements for individual organisations.

#### **4 EQUALITIES IMPLICATIONS**

4.1 An equality analysis has been carried out on the change from MSG funding to the Local Community Fund. The new programme recognises the role of the VCS in delivering services to local residents but the equality analysis should be seen in the context of the wider provision of services both by the council and by other public services. Reference has been made to this in the analysis in areas such as services for older people and community languages.

4.2 The equalities analysis on the new Local Community Fund has identified a number of equalities considerations.

4.3 There is a positive impact in a number of areas. Theme 5 Community Safety is a new funding theme. There are proposals to fund schemes which will support women and girls who are survivors of domestic abuse and sexual violence. Within Theme 2 Digital Inclusion there are proposals which will have a positive impact for older people, supporting them towards greater digital inclusion. The proposals also indicate a positive impact for people in the LBGT+ community through supporting services provided by East London Out (ELOP).

4.4 The analysis also identified some potentially negative impacts relating to age, race and disability.

4.5 For older people the lack of successful bids which specifically target older people in the south of the borough may have a disproportionate negative impact. Officers will address this by ensuring that the successful bidders which provide a borough wide service provide services in the areas of highest need for older people in the borough. This will be monitored through the council's regular analysis and development work with successful projects. In the longer term there is the potential that by not supporting some of the older peoples' services which are community led, particularly those led by people from BAME communities, services may close and an important contribution to

the council's developing strategy for older people's day care could be lost. Through the transitional arrangements set out elsewhere in this report the council will seek to ensure these specialist services may be supported in the future.

- 4.6 For young people, the absence of any bids to support young carers will reduce the level of support offered to young carers which has previously been provided through school based support. Officers will be seeking to meet this through extending other provision and/or identifying a potential new provider through the council's low value procurement process.
- 4.7 Loss of services which support families with very young children and new parents/parents-to-be who live complex lives, particularly where there are children in the family with disabilities, is a further area where there is a significant equality impact. This is a specialist area of work which the council will seek to address through targeted commissioning.
- 4.8 The recommended LCF programme does not include services promoting the mental health and wellbeing of young people. This is a significant equality consideration for both disability and age. The council will be seeking to mitigate this through targeted commissioning.
- 4.9 The wider issue of access and participation has been identified as a consideration in relation to race. There are services which have been provided by organisations led by members of the communities they serve such as the Somali and travellers of Irish heritage communities. While alternative services may be available through the LCF to meet the needs of these service users, some may choose not to use them for a range of reasons. It is therefore proposed that a new theme is developed for the Small Grants programme which addresses access and participation. This may allow, for instance, the development of gateway services run by local organisations recognised as focal points for communities which can refer to other more specialist services.
- 4.10 There has also been recognition through the equality analysis that the process of data collection in relation to equalities should be reviewed. This will be incorporated in the contract mobilisation process and reported as part of the ongoing compliance and assessment of LCF funded services.

## **5 OTHER STATUTORY IMPLICATIONS**

### **5.1 Best Value**

Recent legislation, particularly the Localism Act 2010, has emphasised the role of communities working in partnership with local authorities to help achieve more effective and less costly services to local people. The process of co-production of services delivered by local voluntary and community organisations is a tool now widely recognised as a means to achieving this outcome.

## 5.2 Risk Management

- a. Uncertainty will have an impact on staff morale in organisations currently funded through MSG. There is therefore a risk of the loss of experienced and skilled staff who seeks alternative employment if they perceive that their future employment is insecure. Timely decision making by the council will mitigate the potential impact of this risk, particularly ensuring that funding decisions are made in advance of MSG funded organisations issuing protective redundancy notices to staff at the end of the funding.
- b. The analysis of bids to the LCF was carried out to the council's specification by an external provider after a formal tendering process. The management of risk in the external assessment process has included;
  - The development of clear and transparent assessment criteria and scoring with the VCS which were published as part of the LCF prospectus;
  - Participation in the training of external assessors;
  - Regular liaison with the external assessment manager to resolve queries;
  - Moderation of bid assessments and sample testing, and
  - Inclusion in the council's internal audit programme to verify the robustness of the process.

## 5.3 Crime Reduction

The specific theme relating to Crime and Disorder will ensure that through the Local Community Fund new services will be delivered to reduce crime and disorder. The priorities for the theme are:

- a) People affected by domestic violence;
- b) Exploitation of children, young people and vulnerable groups, and
- c) The perception of young people in the community

The services recommended for each priority are listed in Theme 5 in the proposals set out in Appendix F

## 5.4 Safeguarding

There are no specific safeguarding implications arising from this report. However, ensuring appropriate consideration is given to safeguarding will be addressed in the development of the Local Community Fund programme, both through governance requirements and in the capacity building programme for the sector proposed.

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

- 6.1 This report details the progress to date and next steps in developing the new local community fund programme that will replace the current mainstream grants programme. This work has been carried out through existing resources within the (Strategy, Policy, Performance) SPP team.
- 6.2 Details on budget allocation are provided in section 3.23 above. The current MSG budget totals £3.2m per annum. It is proposed that £2.66m of this will be channelled through the local community fund programme and potential savings of £180k are proposed, arising from resources not previously allocated and which therefore does not impact on existing approved programmes. The saving is included as part of the Council's Medium Term Financial Strategy proposals for 2020-21.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The council has the legal power to fund organisations in the manner referred to in this report as it relates to the carrying out of various functions of the council notwithstanding the fact that the council also has the General Legal Power Of Competence derived from the Localism Act 2011.
- 7.2 The council also has the legal duty to ensure that the functions it delivers and therefore any agreements it enters into for the delivery of those functions represent Best Value having regard to the Efficiency, Effectiveness and Economy of those agreements.
- 7.3 The council widely advertised the opportunity to obtain funding and set pre-determined evaluation criteria against which applications would be measured. The criteria were designed to ensure that the resultant winning applications were aimed to meet specific council functions and therefore ensure that the money spent would be efficient and effective. The resulting expenditure will also be subject to a legal agreement which has been designed in part to protect the use of the funds and ensure that the money is used for the purposes for which it is intended. Monitoring of this agreement together with the pre-mentioned activities significantly demonstrates compliance with the council's Best Value duty.
- 7.4 The setting of pre-published criteria followed by evaluation of bids against those criteria by an independent contractor to the council demonstrates that the council has determined the successful applicants in a fair and transparent way and in a manner which is consistent with that expected of a similar authority.
- 7.5 The resultant contracts are not Public Services Contracts for the purposes of European Law. This is because there is no pecuniary interest for the successful organisations in the legal agreement. However, the council has voluntarily followed a number of aspects of the relevant procurement law particularly around selection and evaluation in order to demonstrate

compliance with the general European principles of fairness, transparency and non-discrimination.

- 7.6 Executive Decisions relating to the making of grants are usually made by the Mayor as part of the Grants Determination (Cabinet) Sub-committee. However, as the delegator of the decision making function to the sub-committee the Mayor is also legally entitled to make the decision in respect of these report recommendations in the main cabinet meeting.
- 7.7 Similarly, the previous report delegated to the Chief Executive the decision making authority to agree the recommendations in this report. However, under administrative law the Mayor as original delegator is legally entitled to make this decision nonetheless.
- 7.8 The council has also complied with its duties under the Equality Act 2010. As part of this final stage, the list of potential successful applicants has been externally assessed and the effects on persons with a protected characteristic has been considered. This has been taken into account when reaching the recommendations of this report. Also assessment by the council has been undertaken prior to agreeing each stage of the process. For example, the setting of the policy and agreeing the prospectus and evaluation criteria and this demonstrates compliance with the act.

---

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

### **Linked Report**

NONE

### **Appendices**

- Appendix A Equality Analysis
- Appendix B LCF Themes and Schemes
- Appendix C Co-production and consultation
- Appendix D Training and support
- Appendix E Assessment Criteria
- Appendix F Recommended projects
- Appendix G Geographic distribution of services (maps)

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

- NONE

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

David Freeman, VCS Strategy Manager  
[david.freeman@towerhamlets.gov.uk](mailto:david.freeman@towerhamlets.gov.uk)

# Equality Analysis (EA)

Financial Year  
**2019/20**

Current decision  
rating  
**Amber**

## Section 1 – General Information (Aims and Objectives)

**What's the proposal?** What is the change we are trying to analyse the impact of?

The Council is committed to supporting a vibrant, innovative and sustainable voluntary and community sector in Tower Hamlets which is equipped to deliver activities that are flexible and responsive in meeting complex local needs. These activities will contribute towards achieving the outcomes for local residents set out in the Tower Hamlets Plan and the Council's Strategic Plan. The model of change set out in the Tower Hamlets Plan underpins the principles of new VCS funding proposals with a focus on outcomes and assets rather than prescriptive solutions, prevention through early intervention and greater integration of services.

The Local Community Fund has been established to provide an outcomes focussed VCS funding programme as part of the replacement of the current Mainstream Grants programme which comes to an end on 30th September 2019. It will sit alongside the corporate VCS infrastructure support programme and the Small Grants Programme as the principal VCS funding programme from the council.

The council's approach to future funding of the VCS was set out in the VCS Strategy 2016-19. An outcomes focussed approach with funding programmes developed through a process of co-production with the sector was at the heart of the new strategy with a clear distinction between traditional grants which might be appropriate in very limited and defined circumstances and funding more akin to public sector procurement.

The principles of the new funding programme were developed in 2018 through an extensive programme of discussion and consultation with the VCS and other stakeholders. The outcome of this was reported to Cabinet on 20th March 2018. The agreed key principles were:

- a. The programme will be a new range of services funded by the Council and co-produced with the VCS. The time available before the new programme starts allows an opportunity to ensure it takes into account good practice and learning from current MSG provision in deciding what should be funded in future.
- b. The programme will, as far as possible, operate as a single coordinated entity, with a coherent approach to funding and

- common approach to the programme's outputs and outcomes across the different themes for delivery.
- c. The programme is being developed with consideration of the new Council Grants Policy and existing strategic priorities. This maximises impact and avoids funding overlap, as well as supporting the delivery of the Tower Hamlets Plan and Strategic Plan
  - d. The proposed new programme will fit with the Council's wider Commissioning Framework and Co-production Framework recommendations, currently being developed.
  - e. The programme will adopt an outcomes based approach, allowing organisations to build on local knowledge, skills and expertise and have the flexibility to undertake the activities which have the most impact.
  - f. The proposed new programme is intended to stimulate greater and more effective support in tackling local issues. This principle will inform the determination of the programme budget.
  - g. The bidding process will be transparent and fair.

Following further work with the VCS a second report was presented to Cabinet on 31st October 2018 which set out:

- a. The structure and outcomes framework for the proposed Local Community Fund programme;
- b. Proposals for continued engagement with the voluntary and community sector in the co-design of the programme, and
- c. Noted the new programme represented a change in the approach to commissioning previously agreed.

#### Local Community Fund Framework

The detail of the Local Community Fund programme is set out at appendix B. The programme is set out in five broad Themes which are sub divided into more detailed Schemes. These are set out in the table below.

Theme	Scheme
Inclusion, Health and Wellbeing	Scheme 1A – Children, Young People and Families
	Scheme 1B – Older People
	Scheme 1C – Access, information and self-management
	Scheme 1D - Healthy living and healthy choices
	Scheme 1E – Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues
Digital Inclusion	Scheme 2A – ICT skills and digital careers

and Awareness	
	Scheme 2B – Online Safety
	Scheme 2C - Improving health and wellbeing facilitated through digital platforms
Advice and Information	Scheme 3A - Advice and Information
Employment and skills	Scheme 4A - Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work
	Scheme 4B - Reducing barriers to employment for disadvantaged groups
	Scheme 4C - Support focused on increasing access to art and cultural industries
Community safety	Scheme 5A – Reduction in the exploitation of children, young people and other vulnerable groups
	Scheme 5B – Improving the perception of young people in the community
	Scheme 5C – Services for people affected by domestic violence or other unsafe circumstances

Each scheme set out key priorities and high level outcomes which organisations were required to demonstrate their projects would contribute towards. This approach is different from previous funding programmes where the type of service was more prescriptive and more outputs focussed. This change in approach allows greater flexibility for the sector to develop new ideas and approaches towards achieving better outcomes for Tower hamlets residents.

The Council has also set out a need to co-design with residents who use services, volunteers, staff and other stakeholders to develop the way projects are run. Co-design processes should not be rushed and will be implemented throughout lifetime of the programme. We recognise that some organisations will be more familiar with the language of co-design and co-production than others, and that some projects, through actively involving and working with people who use their services, may already have co-design principles embedded in their work. Advice and training on co-design will be available to all funded projects and for the wider sector.

#### Developing the LCF

The council is committed to increasing the involvement of local people in the way services are designed and delivered. This has been demonstrated through the approach to developing the LCF from first principles through to the detail of the assessment and scoring

criteria for bids to the programme.

Some of the developmental work carried out with the VCS and other stakeholders has been reported previously to Cabinet in March and October 2018. Appendix C of the main report sets this out in detail and describes the work carried out with the sector to shape the final programme, demonstrating the breadth of involvement across the VCS and other partner agencies such as the Clinical Commissioning Group (CCG). Some of the key points detailed in the appendix are:

- a. Six public events were held in the spring of 2018 to develop the LCF framework and priorities attended by an average 50 organisations;
- b. Six thematic workshops held during the autumn of 2018 with a seventh general session to develop the themes and high level outcomes with average attendance of over 30 organisations at each session;
- c. Two further sessions were held early in 2019 to finalise the outcomes and develop the prospectus for the LCF including the assessment and scoring criteria;
- d. 124 different organisations participated in the sessions during the autumn of 2018 and early 2019 with most attending several times;
- e. Participation was not limited to those which intended submit bids to the LCF. Only half of the organisations which participated in the co-design subsequently submitted a bid.

Participation was not limited to council run public events. Organisations were encouraged to contribute via email and one to one conversations as well as events organised by THCVS and the Volunteer Centre.

### **High level needs analysis**

The London Borough of Tower Hamlets has one of the fastest growing, youngest and most diverse populations in the UK. As of June 2018 the borough had 317,705 residents. The population is projected to reach 365,200 by 2027 and 400,000 by 2041. Its population is the 4th youngest in the UK with almost half of residents being aged between 20 – 39 years.

Coupled with a young and growing population is the fact that Tower Hamlets has high levels of deprivation and in terms of its average deprivation score is the 10th most deprived local authority in England. It has the highest rate of pensioner poverty in England with half of all residents aged 60 and over living below the poverty line; more than three times the national rate. Child poverty in Tower Hamlets is also the highest in Great Britain with 31 percent of children living in families below the poverty line, which is almost double the national rate.

It is estimated that around four in ten households in Tower Hamlets are living below the poverty line after housing costs are taken into account. This is the highest poverty rate across all local authorities in England and Wales and almost double the national average (39 vs 21 per cent).

Almost four in five children in the borough live in families reliant on tax credits, which provide means-tested support for in-work and out-of-work families. This is the highest rate in Great Britain and is almost double the proportion that is technically below the poverty line.

Linked to the above are the severe health inequalities that exist in Tower Hamlets. Healthy life expectancy of both men and women in the borough is lower than the London and England averages. The borough also has a higher rate of death considered preventable or premature than rates in London and England.

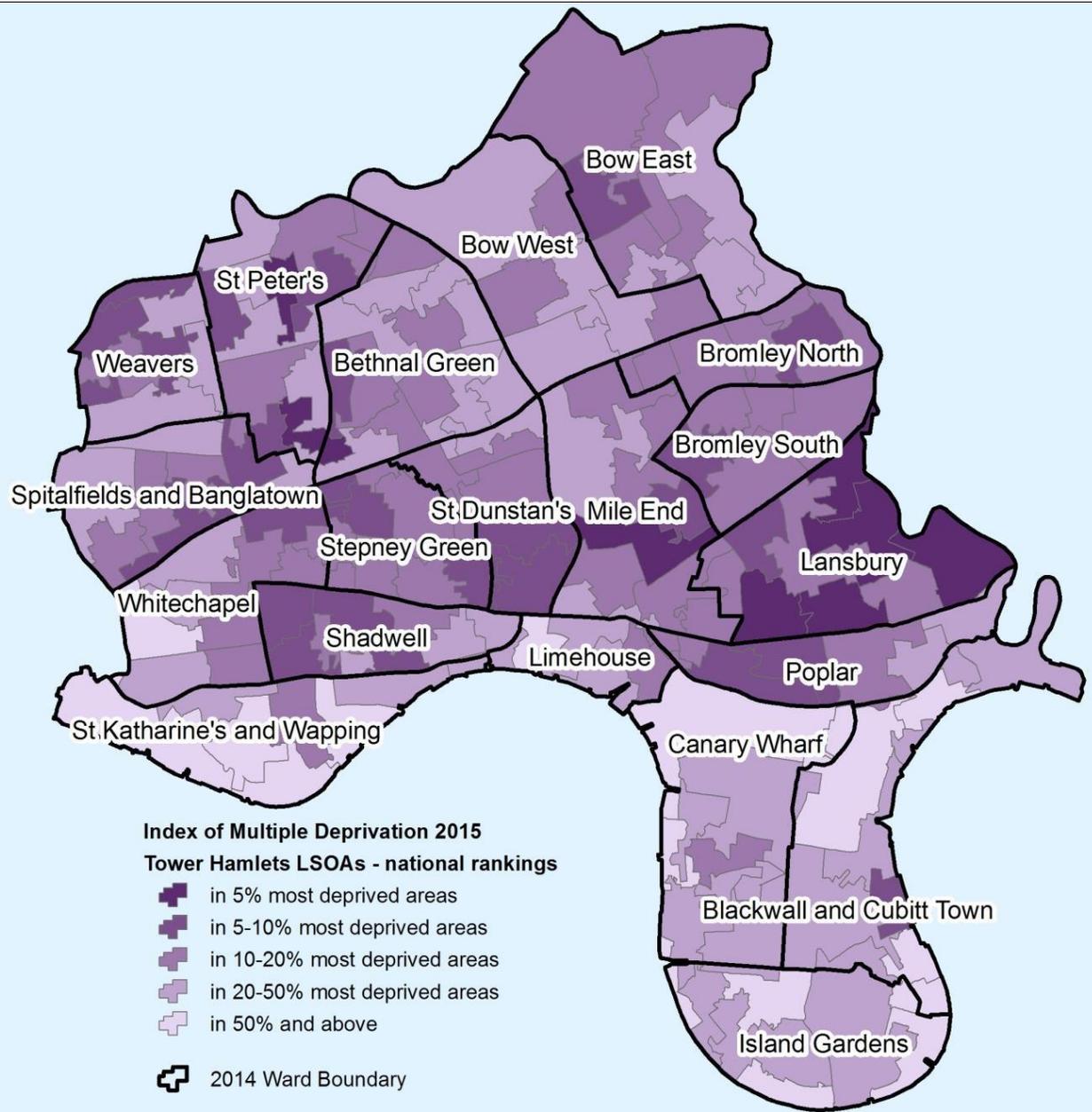
With more than four in ten residents being born outside the United Kingdom Tower Hamlets is ranked as the 16th most ethnically diverse local authority in England in terms of the mix of different ethnic group populations. More than two thirds of Tower Hamlets residents belong to minority ethnic groups. The single biggest migrant group are residents born in Bangladesh but the most significant population growth in recent years has been among EU nationals.

The diverse nature and high levels of deprivation in Tower Hamlets means that our residents are particularly vulnerable to the potential impacts of inequality and any proposed change to services needs to ensure that the impact on persons who share a protected characteristic are mitigated.

Deprivation is widespread in Tower Hamlets: more than half (58 per cent) of the borough's 144 Lower layer Super Output Areas (LSOAs) are in the most deprived 20 per cent of LSOAs in England, according to the *Index of Multiple Deprivation*.

- One quarter (24 per cent) of Tower Hamlets LSOAs are in the most deprived ten per cent of LSOAs in England.
- Within the borough, the most highly deprived areas – which fall into the five per cent most deprived LSOAs nationally – are mainly clustered in the East of the borough in the Lansbury and Mile End area. The least deprived areas in the borough are in the riverside areas of St.Katharine's Dock, Wapping, and the Isle of Dogs.
- To complement the 'official' data at LSOA level, the LGA has produced IMD estimates for wards. The four wards in the East of the borough - Lansbury, Bromley South, Mile End, and Bromley North – are the most deprived wards within the borough on the IMD. Two thirds of the borough's wards (13 out of 20) are in the most deprived ten per cent of wards in England.
- While deprivation in Tower Hamlets is widespread, none of the borough's LSOAs appear in the most severely deprived areas in **England** (ie the most deprived one per cent of areas)

The borough map below shows the distribution of indices of multiple deprivation across the borough.



## Theme 1 Inclusion, Health and Wellbeing

The Tower Hamlets Plan 2019-23 sets out the borough's vision for inclusion, health and wellbeing:

We are committed to improving the health and wellbeing of our local population and the quality of the care services they receive. At the heart of this is ensuring our services are person-centred, empowering and that they make a tangible and positive difference to people's lives. We are committed to providing co-ordinated, joined-up services that enable people to have greater independence and more control over their care. Using information, advice, technology and support we will help people to manage their health conditions. We aim to give the people of Tower Hamlets one of the best systems of interconnected health and care in the country. We are delivering this through the Tower Hamlets Together (THT) partnership which brings together providers, commissioners, the community and voluntary and statutory sector, to improve the quality of life for our residents.

Through further close partnership working, prevention, early intervention and working with our communities, we will tackle health inequalities, improving the quality of life for our residents and managing demand for services. We know that achieving better health and wellbeing is much wider than improving our health and care services. It involves taking a holistic approach to everything that impacts on how we feel, from good quality housing to accessible parks and open spaces. We know we can achieve improved physical and mental health by providing spaces for people to be active and enjoy.

The VCS has a unique role in helping to achieve that vision through innovative community focussed services co-designed with local residents. This theme sets out the priority areas where VCS organisations are well placed to make a significant impact.

For the Local Community Fund the council uses the following definitions in relation to young people:

- 'Children under 5' includes young toddlers and infants and can also cover pregnancy
- 'Children' covers the ages 5-12
- 'Young people' covers 12-18 but there is some flexibility at the lower and upper end of this scale where need can be demonstrated and services can be of clear benefit.
- Children and young people includes those who have special educational needs and/or who are disabled (SEND)
- 'Older people' includes 'younger older' people aged 50 +
- 'Disabled People' includes people with a wide range of physical, mental, cognitive and sensory impairments, disabilities, learning disabilities and long-term health conditions

### Geographic Spread

Bids may be submitted for borough wide projects or for projects which are specific to a defined geographic area.

## Scheme 1A – Children, Young People and Families

### Priorities

1. Increase access to Youth Services

In this priority we are looking in particular to increase the use of youth services by girls and young women

2. Provision of Early Help support to families

In this priority we are looking in particular to support activities which will improve Early Help Assessment outcomes

3. Support for young carers

In this priority we are looking in particular to support activities which the health and wellbeing of young carers in the borough

### Outcomes

1. Children and young people, in particularly girls and young women:
  - a. have more confidence in themselves;
  - b. are more resilient, and
  - c. are able to, and do, access a range of spaces, activities and social opportunities across Tower Hamlets.
2. Girls and young women feel included, are able to participate in any service, and are more likely to train to become youth leaders and/or develop their own initiatives.
3. Children and young people who may feel excluded from participating in mainstream services and activities (e.g. from minority groups, who are disabled, who are LGBTQI, or who are carers for others) can participate in a range of activities and experiences.
4. Children, young people and their families are listened to and their input is considered and included in decision making.
5. Young carers are supported and included; their needs and concerns are understood and are taken into account at local and strategic levels.
6. Children under 5 grow up in positive family environments and are supported to thrive.

## Scheme 1B – Older People

### Priorities

1. Ageing well and reducing social isolation

1. In this priority we are looking in particular to:

- a) Encourage people over 50 to feel a greater connection to their community and they are able to continue making a positive contribution to their communities;
- b) Support Tower Hamlets becoming a recognised dementia-friendly community;
- c) Increase the number of older people with dementia who 'live well' ;
- d) Reduce the number of older people who feel lonely;
- e) Encourage more older people to access services that provide support in their local neighbourhoods;
- f) Increase engagement in meaningful relationships in care homes;
- g) Increased meaningful intergenerational contact.

2. Provision of physical and health-promotion activities for older people

In this priority we are looking in particular to support activities which help older people to be healthier and more active.

Outcomes

1. Reduced isolation and loneliness among older isolated adults, particularly those who are housebound, and those facing additional challenges (e.g. dementia, disability, limited English);
2. Older people are able to continue making a positive contribution to their communities;
3. Older people feel more included and integrated in their communities and are able to mix with people of different ages and from different backgrounds to increase the sharing of skills, experience and knowledge both amongst older people, and between different generations;
4. People living with dementia are supported to participate as much as, and as long as possible. Carers of people living with dementia are supported.

Scheme 1C – Access, information and self-management

Priority

1. Residents better informed/equipped to manage health conditions

In this priority we are looking in particular to;

- a) Improve personal management of conditions;
- b) Improve knowledge, skills and confidence to manage personal health and care;
- c) Improve physical functioning and ability to self-care;

d) Improve quality of life.

#### Outcomes

1. Residents of all ages are better informed/equipped to manage health conditions
2. Increased awareness of and access to local services, including crisis support
3. Residents and their families are aware of the benefits of healthy eating and eat more healthily

#### Scheme 1D - Healthy living and healthy choices

#### Priorities

1. Residents better informed to make healthier choices

In this priority we are looking in particular to:

- a) Increase engagement with community farms and community projects;
- b) Make a positive impact on health and wellbeing through sports, culture and leisure activity;
- c) Reduce social isolation through sports, culture and leisure activity

2. Increased engagement in physical activity

In this priority we are looking in particular to:

- a) Increase physical activity in the under-represented groups and improving health outcomes;
- b) Increase the proportion of children and young people that achieve the weekly minimum level of physical activity and develop an active lifestyle as a habit;
- c) Improve the sport and physical activity sector delivery interventions that meet the needs of local residents;
- d) Improve cohesion through participation in sport and physical activity;
- e) Improve mental health and reduce social isolation through participation in sport and physical activity;
- f) Improve the quality of the local physical activity and sport offer, offering opportunities for participation for the inactive and less active across a wide variety of disciplines.

#### Outcomes

1. Increased participation in a wide range of culture, play, physical activity, leisure and sport that are inclusive of age, gender, disability, race and mobility
2. More social opportunities for reducing isolation through participation in culture, play, physical activity, and sport.
3. Increased participation from marginalised groups

4. Creating opportunities for intergenerational relationships, shared experience through culture, play, physical activity, leisure and sport for all above

Scheme 1E – Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues

Priorities

1. Improved health outcomes for disabled people

In this priority we are looking to support activities which will help adults with complex needs have better health outcomes and activities which will improve the life expectancy for people with learning disability.

2. People experiencing mental health issues are better supported

In this priority we are looking in particular to:

- a) Increase the number of residents experiencing mental health difficulties being supported by a peer;
- b) Increase self-referrals to relevant support services, and
- c) Better inform residents where to access help in a crisis.

Outcomes

1. More mainstream services are culturally inclusive, welcoming and accessible for disabled people and people experiencing mental health issues from different ethnic backgrounds, different faith backgrounds, and who are LGBTQI
2. Adults with complex needs (i.e. who have multiple issues affecting their lives) have better health outcomes
3. Disabled people and people experiencing mental health issues;;
  - a) are more independent
  - b) are more aware of and more likely to participate in local services
  - c) have a better quality of life
4. People experiencing mental health issues have improved knowledge of where to access support, including peer support, social activities, and activities that build confidence and develop resilience

All of these outcomes refer to a broad cohort of potential beneficiaries. Projects that focus people with particular needs, disabilities or issues within the wider cohort are also eligible as long as they can demonstrate that they will help to deliver the outcomes.

## **Theme 2 Digital Inclusion and Awareness**

The VCS has a unique role in helping to achieve that vision through innovative community focussed services co-designed with local residents. The digital inclusion and awareness theme consists of three key schemes which each set out priority areas where VCS organisations are well placed to make a significant impact.

The three digital inclusion and awareness schemes are as follows:

- Scheme 2A: ICT Skills and Digital Careers
- Scheme 2B – Online Safety
- Scheme 2C – Improving health and wellbeing facilitated through digital platforms

Each theme and subsequent schemes were developed through a collaborative design process involving a number of stakeholder events which included engagement with staff, trustees, volunteers and service users of voluntary and community sector organisations, council and NHS colleagues as well as local residents.

Outcomes workshops for each theme were held which began with priorities agreed by Cabinet followed by participants suggesting more detailed sub-outcomes and ideas for potential activities. Throughout the workshop participants were encouraged to provide comments and ask questions about the themes, schemes and LCF process itself which informed the development of the programme. All of the workshops led to changes that helped to broaden and clarify the final LCF specifications.

The Digital Inclusion theme workshop resulted in several changes including acknowledging the concerns and needs of different populations in Tower Hamlets. Discussions started out with separate high level priorities covering access to ICT support and training for older people, children and young people's safety online, and digital skills development for children and young people, but the group questioned the way these headline outcomes were each focussed on particular age groups. Participants pointed out that young people learn about ICT, including coding, in school, whereas working age adults, particularly those with limited English and those who are disabled and/or older might not have had access to the same learning and are at risk of being digitally excluded. Similarly, the group agreed that online safety is not just a concern for children and young people, and may be part of the reason that older people are reticent to go online or participate in ICT training.

### ***Scheme 2A – ICT Skills and Digital Careers***

This schemes has two priorities, the first priority is access to ICT support and training for older people which is aiming to support older people to feel more informed and digitally included. The second priority is digital skill development for children and young people which looks to increase awareness of careers in the digital sector and provide children and young people with the opportunity to

develop the skills for the digital sector. There are 2 intended outcomes as outlined below:

1. Residents with limited digital/ICT skills, particularly older residents, disabled residents, those with English as a second language or other barrier to digital include:
  - a) Have increase confidence in using ICT, especially around security;
  - b) Are able to use digital method to access services, find information and communicate with others and do so more regularly;
  - c) Have increased digital skills.
2. Working age residents have greater awareness of digital careers, have increase digital skills, and have increased access to work and work placements in the digital sector.

Today in the UK, there are over eleven million people who lack the basic digital skills they need to participate fully in our digital economy. The Office of National Statistics suggests that there is no single reason for people being digitally excluded but the main reasons tends to include:

- A lack of interest in the internet and digital (59%)
- A belief they lack the skills to go online (21%)
- The cost of equipment (9%)

Organisations and small businesses are also not benefiting from digital access with 23% of small businesses and 58% of charities/community groups lacking the basic digital skills which will help them thrive.

This priority is supported at council level through outcome 1 of the Tower Hamlets Strategic Plan 2019-22 - People access a range of education, training and employment opportunities. This strategic plan area sets out what will be undertaken by the council to support residents capitalise on the education, training and employment opportunities available in our borough.

The population of Tower Hamlets is diverse and there are certain residents who face additional barriers in accessing digital/ICT skills. 4 in 10 residents were born outside the UK and the borough is ranked as the 16<sup>th</sup> most ethnically diverse local authority in England. This means that that English is a second language for a number of residents and due to this additional provisions are required to ensure access to services is available to this cohort. Secondly, Tower Hamlets has the highest rate of pensioner poverty in England with half of all residents aged 60 and over living below the poverty line which is more than three times the national rate (50 vs 16 per cent). This means that there are additional barriers for older residents to access digital/ICT skills. Finally, it is estimated that 4,848 people in Tower Hamlets have a learning disability and only 4.9% of adults with a learning disability were in paid employment in 2015-16, which is below the London average of 7.5% and the national average of 5.8%. Both the LBTH Adult Learning Disability Strategy 2017-2020 and LBTH Autism Strategy 2017-2020 include objectives which aim to increase participation of disabled residents in both community activities and workforce.

The second outcome for this priority focuses on raising the awareness of working age residents about the career opportunities that exist in the digital sector. This is an area of focus due to inequalities in the labour market that persist in Tower Hamlets which sees certain groups of residents continuing to face a higher risk of worklessness than others. Reflective of this, is the fact that Tower Hamlets has the 3<sup>rd</sup> highest economic output of any local authority area in the UK but has a lower employment rate than the Great Britain average (68 per cent vs 74 per cent).

In addition to council strategies supporting this priority the Mayor of London's plan for digital inclusion aims to raise basic digital skills in the following areas:

- Managing information: Use a search engine to look for information online; find a website previously visited and download / save a photo found online
- Communicating: Send a personal message via email or online messaging service; make comments and share information online
- Transacting: Buy items or services from a website; buy and install apps on a device
- Creating: Complete online applications forms which include personal details; create something new from existing online images, music or video
- Problem Solving: Verify sources of information found online; Solve a problem with a device/ digital service using online help

### ***Scheme 2B – Online Safety***

The schemes priority is children and young people online safety and in particular looking to support activity that raises awareness of potential dangers online among children, young people and their parents and carers and supports the implementation of suitable prevention measures. The scheme has three intended outcomes set out below:

1. Residents are aware of potential dangers online and implement suitable prevention measures
2. Children, young people and their families know how to report online bullying and abuse
3. Older people are aware of how to identify online scams and how to keep themselves safe

Supporting this priority is Outcome 2 of the Tower Hamlets Strategic Plan 2019-22 which sets out what will be undertaken by the council to support children and young people in the borough. Tower Hamlets has 75,455 residents' aged 0-19 years old. All children and young people have a right to feel safe and secure in every aspect of their life and this includes online platforms.

The LBTH Children and Families Strategy 2019-2024 sets the strategic direction for the borough which will deliver the best outcomes from children, young people and families who live here. To develop a clear set of priorities for this Strategy, the council undertook activities and used it to shape specific engagement with children, young people, parents, carers and local professionals. Messages received included 73 per cent of secondary school pupils know how to report online bullying but only 40 per cent would report it. 17 per cent of parents do not feel confident in monitoring social media/internet use.

Priority three of the strategy is titled safe and secure and aims to achieve the outcome of children and young people feeling safe where they live, work, play and study. During the development of this priority several focus groups were held where not one child mentioned online danger which had previously been raised as the utmost concern for teachers and parents. However we know from the most recent Pupil Attitude Survey that 30% of primary school children and 25% of secondary school children had experienced bullying therefore increasing awareness of the dangers of online bullying and abuse and equipping young people and their families with the tools to address this is important.

### ***Scheme 2C – Improving health and wellbeing facilitated through digital platforms***

The schemes priority is an increase in self-management/self-reliance/confidence/health literacy and looks to support activity that increases people's ability to manage their own health conditions, increases self-reliance and confidence and improve health literacy. The intended outcomes are set out below –

1. Residents, particularly those who feel digitally excluded, disabled people, and people with limited English:
  - a.) Have a better awareness of where to access health information/support, and increased confidence to access/navigate digital health services;
  - b.) Are more likely to self-manage health issues via digital platforms, including accessing health information, identifying appropriate support services, and connecting with others with similar issues;
  - c.) Have increased confidence and knowledge of 'trusted' digital sources of health information.

The Tower Hamlets Strategic Plan 2019-22 highlights this issue at outcome 3, people access joined-up services when they need them and feel healthier and more independent which sets out what activities the council will undertake to improve the health of residents. Further supporting this priority area is the LBTH Health and Wellbeing Strategy 2017-2020 and underneath this are a number of health strategies including the LBTH Mental Health Strategy 2017-20, Ageing Well Strategy 2017-20, Autism Strategy 2017-20, Learning Disability Strategy 2017-20 and Suicide Prevention Strategy 2018-21.

Health inequalities persist in Tower Hamlets and on average, a man living in the borough starts to develop health problems from the age of 54 compared to 64 in the rest of the country. For a woman, it is 56 compared to 64. The reasons for this are varied but include

the health impacts of higher levels of poverty (low income, unemployment, and insecure employment), poor housing quality, overcrowding, homelessness, social isolation, poor air quality, lack of access to affordable healthy food and lack of green spaces. We know people with a learning disability have poorer health and die younger with a lifespan that is 14 years less for males and 18 years less for females.

These factors result in a higher reliance by residents on services in the borough which could be alleviated through the use of digital platforms whereby information and support can be found as well as self-management of health issues undertaken.

### Theme 3 Advice and Information

In Tower Hamlets, it is estimated that 19 per cent of households live in poverty before housing costs are considered. Although this figure is just above the national average the picture changes entirely once incomes are considered net of housing costs. Using this measure, almost four in ten households are living below the national poverty line, after housing costs are considered. This is the highest rate of all local authorities in England and Wales, and is almost double the national average (39 vs. 21 per cent).

The 2015 Indices of Deprivation in Tower Hamlets concluded that: “Despite improvements in the borough’s relative position on the Index of Multiple Deprivation, it remains highly deprived on some of the measures that underpin the overall index, particularly those relating to: income deprivation (especially among children and older people), housing barriers and crime. The borough also remains highly deprived in relation to other London Boroughs.”

35,000 households in the borough are in receipt of Housing Benefit, the 5<sup>th</sup> highest in London, and over half of children in the borough live in households that receive Housing Benefit (CRU Research Briefing 2016).

The Strategic Plan has identified 2 of the key challenges as Poverty & Worklessness and Housing

Tower Hamlets is the 10th most deprived local authority in England, 4 in 10 households live below the poverty line, 15% of households have no adult in employment and around 1 in 5 residents earn below the London Living Wage

3 in 10 households rely on housing benefit to pay their rent, 18,726 on housing waiting list - 2nd highest in London and 35,110 additional homes are needed by 2029.

Poverty rates vary considerably by ethnic group. National estimates suggest that the Bangladeshi population has the highest rate of poverty across all groups, more than twice as high as the rate for the White population (50 vs. 19 per cent, UK). Other ethnic groups with high poverty rates include those from Pakistani, Black and Other BME groups (40-46 per cent). These national trends are also evident in Tower Hamlets with Bangladeshi residents being far more likely than other groups to live in low income households. In 2011, research for the Council found that 78 per cent of Bangladeshi residents lived in households receiving Council Tax Benefit, compared with 33 per cent of other (non-Bangladeshi) residents. Council Tax Benefit (now ‘Council Tax Reduction Scheme’) provides means-tested support to help low income households pay for Council Tax.

The Borough Profile explores employment patterns by ethnic group. This found that Bangladeshi residents in Tower Hamlets have the lowest employment rates of all ethnic groups, and once in work, tend to be over-represented in part-time and lower paid occupations.

The 2012 Welfare Act introduced the Government's first tranche of reforms which were designed to radically reduce the size of the welfare budget. For example, the Benefit Cap limited the total amount of benefits a household could receive and the Bedroom Tax reduced Housing Benefit payments for people deemed to have one or more 'spare' rooms in their home.

These reforms were targeted mainly at working age claimants and their families, and have impacted on both those in and out of work. The reforms led to considerable reductions in both tax credit and housing benefit support, as well as less generous up-rating of benefits to account for inflation. Research commissioned by the Council, from the Centre for Economic and Social Inclusion in 2014, estimated that these reforms affected around 40,600 Tower Hamlets households, or 45 per cent of all working age households in the borough. It was estimated that by 2015, those households were likely to have been, on average, £1,670 per year (£32 per week) worse off than would have been the case without the reforms.

There is also mounting evidence that welfare reforms are having an impact on food poverty and food bank use. Analysis in 2016, for the Trussell Trust evidenced a clear link between increased use of benefit sanctions and higher food bank use. The Trust has also found that roll out of Universal Credit, and associated delays in paying benefits, is leading to increasing numbers of referrals.<sup>23</sup> In 2016-17, the Trust handed out a total of 1,182,954 emergency food supplies to people in crisis across the UK – a record high.

In 2017 the Institute of Fiscal Studies estimated that these reforms, along with other changes, will increase poverty rates, particularly among claimant families with children. It is projecting that the national child poverty rate (relative poverty measure, after housing costs), will rise from 29 to 36 per cent during the period 2014/15 to 2021/22. In Tower Hamlets, families are larger, and more reliant on means-tested benefits, so are likely to be hit hard by these changes.

More than four in ten residents (43 per cent) were born outside the UK. Residents born in Bangladesh are the single biggest migrant group, but the most significant population growth in recent years was among EU nationals.

Net international migration accounted for three quarters of the borough's rapid population growth over the past decade and 17% of borough residents born outside the UK cannot speak English well or at all.

The 2011 Census found that 9 per cent of borough residents aged 16+ – a total of 18,311 adults – had low levels of English proficiency. This is the second highest proportion of residents with low levels of English proficiency in England, after Newham. It is also substantially higher than the average across London (4 per cent) and England (2 per cent).

Migrant residents make up 98 per cent of all those with low proficiency in English, just 2 per cent were UK-born. Figure 11 provides a breakdown of English proficiency by region and country of birth. It shows that overall, 17 per cent of Tower Hamlets residents who were born outside the UK cannot speak English well or at all. Residents born in Bangladesh had the lowest levels of proficiency, with

37 per cent saying they cannot speak English well or at all. More than one in five Somali-born residents (22 per cent) also has low levels of English proficiency.

There are also age and gender differentials in English proficiency: women comprise almost two thirds (64 per cent) of all those with low proficiency in the borough and older residents (65+) are more likely than young adults (16-24) residents to have low proficiency in spoken English (21 vs. 3 per cent).

In 2018 the Annual Residents Survey asked the question 'taking everything together, which of these phrases best describes how you and your household manage financially these days? In response, one third of residents said they were managing very well or quite well; around half said they 'get by alright' while 13 per cent (one in eight) indicated they were facing difficulties managing financially (ie, they don't manage very well, they had some financial difficulties or were in deep financial trouble).

Residents most likely to say they were having financial difficulties were: those from social grade DE (Semi/unskilled manual workers; and Pensioners/casual workers/long term unemployed); disabled people; Bangladeshi residents; those who are out of work; and those in social housing. Residents were also asked whether they had any specific financial concerns. The most common concern was worries about housing costs: almost one quarter of residents said they were concerned about paying the rent or mortgage.

The Local Community Fund (LCF) was co-designed with the voluntary and community sector (VCS). Part of the requirements for the delivery of the programme is for organisations to continue to improve the delivery of the service by co-designing the service with service users and other stakeholders.

The Council recognises the role that advice services play in mitigating and reducing levels of poverty by supporting vulnerable residents and low income households to access their rights, understand their obligation and maximise their incomes. The high levels of child poverty, pensioner poverty and in work poverty, combined with the impacts of welfare reforms, the roll out of Universal Credit, the housing crisis and continued economic austerity are some of the main drivers of demand for advice services in the borough.

In partnership with the CCG and other providers, the Council is undertaking a major strategic review of health, social care and welfare advice provision in the borough with a view to developing an integrated advice and information offer across the major providers in the public and voluntary sectors.

The advice and information services funded through the Local Community Fund will be integrated into this wider strategic approach during the period of the funding contract. However, as the new approach will not begin before April 2020, bids to this Theme of the Local Community Fund will initially address the outcomes set out below. Over the period of the funding contract successful providers will be expected to work with service users, local residents and partner agencies to co-design the future delivery integrated into the

wider strategic approach to advice and information provision. This will be part of the contractual arrangements.

The Advice and Information theme of the Local Community Fund has a single priority, Social Welfare Advice and Information. In this priority we are looking to fund VCS advice and information providers to provide a range of generalist and specialist social welfare and advice services across the borough to meet the outcomes set out below through the provision of integrated, coordinated, accessible services that meet the needs and demands of local people for legal advice on welfare benefits, housing, debt, employment rights, immigration issues and other social welfare issues.

Within this priority we are also seeking to support specific project work to provide training and capacity building services to improve service integration, volunteer training, promotion of best practice and coordination with public sector providers through forums and networking.

Partnership applications are encouraged in this scheme as we move to a more integrated advice service offer to local residents across all agencies in the public and voluntary sectors. Partnership approaches that maximise the use of resources and the integration of generalist and specialist advice provision through effective triage and referral are particularly welcome.

Partnership arrangements may also include cooperation and/or co-location with other community based services.

The added value of partnership arrangements in the advice and information sector will be acknowledged in the assessment process.

### Outcomes

In this theme the Council is seeking to achieve a range of outcomes to reduce poverty across the spectrum of social welfare advice and information activity:

1. Increased access to social welfare advice and income from benefits
2. Improved personal budgeting, financial stability and reduction in personal debt
3. Reduction in the number of people negatively impacted by welfare reforms and housing repossessions
4. Individuals are more informed about their legal rights
5. Individuals are more informed about their housing rights
6. Increased employment security
7. Increase access to immigration/asylum advice and casework
8. Increased engagement of older people with social welfare advice services

We are also looking to achieve outcomes for individuals which may be demonstrated by the numbers of residents where advice and information services have:

1. Increased income and other financial gains
2. Reduced indebtedness
3. Improved financial skills and confidence
4. Prevented homelessness
5. Resolved employment issues
6. Resolved immigration matters such as right to reside
7. Resulted in successful appeals

We expect projects to achieve a mix of higher level outcomes and outcomes for individuals.

In relation to capacity building and training within the sector, we would expect projects to work towards achieving the main outcomes of the programme and, in addition, may work towards

1. Improved coordination and cooperation between advice providers
2. Increased integration of service both within the VCS advice sector and with services in other sectors
3. Increased number of local volunteers achieving a recognised advice training accreditation
4. Improved liaison and co-ordination with public sector agencies
5. Improved access to information for providers

## Theme 4 Employment and Skills

The VCS has a unique role in helping to achieve that vision through innovative community focussed services co-designed with local residents. The employment and skills theme consists of three key schemes which each set out priority areas where VCS organisations are well placed to make a significant impact.

The purpose of this theme is to assist local residents capitalise on the dynamic employment growth occurring around them. There is an estimated 278,000 jobs in the borough and Tower Hamlets has the 3<sup>rd</sup> highest economic output of any local authority area in the UK, in 2015 the borough's economic output was around £29 billion – accounting for 2 per cent of the UK economy.

There are around 16,800 businesses based in Tower Hamlets and while the borough is home to some of the world's largest financial institutions, 98 per cent of local enterprises are small businesses which employ fewer than 50 people. Tower Hamlets want to work with employers and education providers to ensure that the education and skills training available supports the needs of the job market.

The employment rate in Tower Hamlets has risen considerably over the last decade from 56 per cent during 2005 up to 68 per cent in 2014-17 however inequalities within the labour market persist with certain groups continuing to face a higher risk of worklessness than other.

The three employment and skills schemes aim to address some of these inequalities and are set out below:

- Scheme 4A - Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work
- Scheme 4B – Reducing barriers to employment for disadvantaged groups
- Scheme 4C – Support focused on increasing access to art and cultural industries

### ***Scheme 4A - Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work***

The schemes priority is to promote ethical employer practices to focus on improving employment and progression opportunities for disadvantaged people, with an emphasis for employers on improving business productivity. In particular, the priority aims to undertake the following –

1. Improve employee retention
2. Increase employee progression
3. Improve employee-employer relations

4. Ensure employers are better informed of how to support their employees
5. Employees feel more comfortable and better supported in the work place
6. Increase take-up of relevant support services
7. Develop packages of support measures for businesses and employees
8. Enhance productivity

The scheme has four outcomes as outlined below:

1. More disabled people and people with mental health issues access work experience placements and employment opportunities
2. Disabled employees feel more comfortable and better supported in sustainable roles in the workplace
3. Disabled people have access to meaningful, relevant training and skills development
4. Tower Hamlets employers are more inclusive and employ more disabled people and people with mental health issues, and are more aware of how to support them.

Outcome 1 of the Tower Hamlets Strategic Plan 2019-22 addresses this priority and sets out the actions the council will take to ensure people access a range of education, training and employment opportunities. Residents with mental health or learning disabilities are a particular priority due to additional barriers this group of residents face in accessing the labour market.

In 2014-16 less than half of all working age disabled people were in work compared with three quarters of the non-disabled population (48 vs 74 per cent). Disabled people were also more likely to work part-time: in 2011, 39 per cent of disabled workers were employed part-time compared with 24 per cent of non-disabled workers.

In addition to the Strategic Plan there are several other key strategies which support this priority area. The Learning Disability Strategy 2017-2020 includes specific aim to increase the number of residents with a learning disability who work or volunteer. 4.9% of adults with learning disability were in paid employment in 2015-16 which is below the London average of 7.5 per cent and national average of 5.8 per cent.

The Tower Hamlets Health and Wellbeing Strategy 2017-2020 also includes a specific priority around employment and health and sets out what will be done to reduce unemployment amongst those who suffer from mental health issues and disabilities.

In addition to these strategies this scheme will work to further address the inequalities that persist in the labour market for people with disabilities including learning difficulties and physical and mental health barriers by providing support to employers and employees alike.

#### ***Scheme 4B – Reducing barriers to employment for disadvantaged groups***

This scheme's priority is to reduce barriers to employment for disadvantaged groups and in particular looking to increase employment and training opportunities for a range of groups who may be considered further from the labour market, including young people and women who have been away from work and may want to start their own business, and employment and volunteering opportunities for older people. In particular the scheme has a particular focus on the following areas:

- a) Increase in the proportion of older people who feel they are able to continue making a positive contribution in our communities through volunteering;
- b) Older people develop employability skills;
- c) Older people have more confidence to look for opportunities

Employment skills for vulnerable young people and those who are NEET

- a) Increase the number of vulnerable young people engaging and accessing provision;
- b) Reduce in the percentage of young people who are NEET

Employment and skills for young people at risk of achieving poor outcomes

- a) Increase educational attainment - post 16;
- b) Increase in attainment for young people at risk of not reaching their full potential – e.g. white working class.

This priority is addressed through outcomes 1 of the Tower Hamlets Strategic Plan 2019-2 which sets out what action will be undertaken for people to access a range of education, training and employment opportunities.

While unemployment has decreased certain inequalities persist. The employment rate for older workers in Tower Hamlets is relatively low. 58 per cent of borough residents aged 50-64 were in work compared with 69 per cent across London. Residents with no qualifications also face a higher risk of worklessness and during 2014-16 just one third of residents with no qualification were in work compared with 87 per cent of those who held higher level qualifications.

This strategy also aims to reduce the number of young people who are not in employment, education or training (NEET). At the end of 2016, 6 per cent of 16-17 year olds in Tower Hamlets were considered NEET which is in line with the national average of 6 per cent but slightly higher than the London average of 5 per cent.

Improving educational attainment is also a priority as set out in the Learning & Achievement Strategy for 14 – 25 year olds. While educational attainment in the borough is good, with average attainment 8 scores at Key Stage 4 constantly above the national average, certain groups lag behind with attainment 8 score for all pupils in Tower Hamlets being 47 compared to White British Boys on free school meals who score an average of 28 and Black Caribbean boys scoring an average of 36.

#### ***Scheme 4C – Support focused on increasing access to art and cultural industries***

The schemes priority is support focused on increasing access to art and cultural industries. In this priority we are looking in particular to increase numbers participating in arts activities and schemes that lead to training and employment in the creative sectors.

The scheme has three outcomes as outlined below:

1. Increased opportunities in the arts and cultural industries for BME people, women, disabled people, working class people, older people;
2. Increased access to industry relevant training;
3. Increase in people participating in arts projects for the first time

This priority is addressed through outcomes 1 of the Tower Hamlets Strategic Plan 2019-2 which sets out what action will be undertaken for people to access a range of education, training and employment opportunities.

Inequalities in the labour market persist in Tower Hamlets with some residents facing higher barriers to employment than others. During 2014-16, less than half of the borough's BME women were in work (48 per cent). Rates were lowest for Bangladeshi and Somali women: just one quarter of these women were in employment at the time of the 2011 Census. In 2014-16 less than half of all working age disabled people were in work compared with three quarter of the non-disabled population (48 vs 74 per cent). Disabled people were also more likely to work part-time: in 2011, 39 per cent of disabled workers were employed part-time compared with 24 per cent of non-disabled workers. The employment rate for older workers in Tower Hamlets is relatively low: 58 per cent of borough residents aged 50-64 were in work compared with 69 per cent across London

Tower Hamlets is a diverse borough in terms of our population but also has a rich history and cultural assets. It is also home to 120 parks and open spaces, 22 art galleries and 6 museums, 1,000 galleries and 3 city farms. It is also one of the most popular filming boroughs in London with multiple filmings taking place in the borough yearly.

The Tower Hamlets Growth and Economic Development Plan 2018-2023 further supports this scheme and sets out how the council aims to build an economy that works for local people and ensure everyone can benefit from the boroughs success. It includes the following three priorities:

- Priority 1: Preparing our young people for success
- Priority 2: Helping our working age residents thrive
- Priority 3: Creating the conditions for business growth

Employment and training initiatives already exist for residents in Tower Hamlets through the WorkPath Programme. The Tower Project's Job Enterprise and Training Service specialises in supporting employment services for young people and adults with a learning disability or autism. Arts jobs and professional development opportunities are advertised on the council website by the council's arts and events team. The scheme will work to increase awareness of the opportunities that exist in this sector for BME people, women, disabled people, working class and older people.

## Community Safety Theme

The VCS has a unique role in helping to achieve that vision through innovative community focussed services co-designed with local residents. The community safety theme consists of three key schemes which each set out priority areas where VCS organisations are well placed to make a significant impact.

The three community safety schemes are as follows:

- Scheme 5A: Reduction in the exploitation of children, young people and other vulnerable groups
- Scheme 5B – Improving the perception of young people in the community
- Scheme 5C – Service for people affected by domestic violence or other unsafe circumstances.

Each theme and subsequent schemes were developed through a collaborative design process involving a number of stakeholder events which included engagement with staff, trustees, volunteers and service users of voluntary and community sector organisations, council and NHS colleagues as well as local residents.

Outcomes workshops for each theme were held which began with priorities agreed by Cabinet followed by participants suggesting more detailed sub-outcomes and ideas for potential activities. Throughout the workshop participants were encouraged to provide comments and ask questions about the themes, schemes and LCF process itself which informed the development of the programme. All of the workshops led to changes that helped to broaden and clarify the final LCF specifications

### ***Scheme 5A – Reduction in the exploitation of children, young people and other vulnerable groups***

This schemes priority is to reduce the exploitation of children and young people, and vulnerable groups and in particular look to increase the extent to which yo feel safe and reduce in the number of children and young people, and vulnerable groups being exploited. There are four intended outcomes as outlined below

Children, young people and other vulnerable people:

- a) Have increased confidence and critical thinking skills
- b) Have an increased understanding of what a safe relationship is, what exploitation is, and how to spot the signs of abuse and exploitation
- c) Have an emotional and actual vocabulary to articulate what is happening to them
- d) Are better able to challenge and support each other around relationships

Supporting this priority is outcome 2 of the Tower Hamlets Strategic Plan 2019-22 which states *children and young people are protected so they get the best s and can realise their potential*. This strategic plan area sets out what will be undertaken by the council to support children and young people in the borough.

One of the strategic plan areas of focus has been to ensure adequate early help for the most vulnerable children and families, with a strong focus on safeguarding Local Authorities have an overarching responsibility for. The need for this priority area is further heightened by a number of factors including the borough having youngest population in the UK with almost half of residents being aged 20-39, combined with the child poverty rate in Tower Hamlets is more than double the r

England (20 per cent) and above the London average (24 per cent). The deprivation affecting children index (DACI) also shows that Tower Hamlets has the highest proportion of children living in income deprived families.

In 2015/16 the rate of children subject to a child protection plan per 10,000 populations in Tower Hamlets was high (50.1 percent). Children aged 0-5 and boys had the highest number of Child Protection Plans (106 and 173 in March 2015 respectively). White children and young people are underrepresented and “Mixed heritage” (particularly mixed White and Caribbean and mixed White and Other backgrounds) children and young people are over-represented.

The percentage of child protection plans lasting two or more years has increased in 2014-15. A sample of cases has revealed particular issues with longstanding physical and sexual abuse and return of violent offenders who return to the home, where it was appropriate to maintain plans for a long period. However in some cases where issues with parental capacity to protect were present, issues were not resolved early enough.

Neglect and emotional abuse remain the most frequent reasons for children having a child protection plan in Tower Hamlets; with 30 per cent of children with a child protection plan was for the primary reason of neglect.

In addition to the strategic plan The Tower Hamlets Community Safety Partnership Plan 2017-2021 aims to reduce the number of crimes and anti-social behaviour in the borough, but in some categories, it aims to increase the number of residents who feel confident enough to report it to the council.

There are four key priorities in the plan which include anti-social behaviour (ASB), Violence, hate crime/community cohesion/extremism and reducing re-offending. In addition, The Children and Families Plan 2016-19 has a priority called ‘free from harm’, which also highlights the need to protect children and families from harm and exploitation.

### ***Scheme 5B – Improving the perception of young people in the community***

The scheme's priority is to improve the perception of young people in the community and in particular providing children and young people with opportunities to build good relationships with others in the community to help break down barriers and develop good, positive relationships between people of different generations.

There are three intended outcomes for this scheme as outlined below:

1. Children and young people are, and are seen to be, a positive part of the community
2. Increased community cohesion and sense of belonging
3. Residents, especially older people, feel less wary of children and young people

Supporting this priority are Outcomes 2, 7 and 8 of the Tower Hamlets Strategic Plan 2019-22. Outcome 2 sets out what will be undertaken by the council to support children and young people in the borough. The need for this priority arises from various factors including the makeup of the borough. Tower Hamlets is a young borough with an estimated 74,700 children and young people aged 0 – 19 living in the borough. Tower Hamlets is one of the most diverse communities in the UK with a wide range of languages spoken in schools alone. However issues such as anti-social behaviour and hate crime continue with outcomes 7 and 8 aiming to ensure people feel safe in their neighbourhoods and anti-social behaviour is tackled and aiming to ensure people feel they are part of a cohesive and vibrant community respectively.

Further supporting this priority is the Tower Hamlets’ Antisocial Behaviour (ASB) Blueprint which states that reporting ASB is a subjective and not completely re

process due to personal tolerance and perceptions as to what constitutes acceptable behaviour. Young people are often viewed as perpetrators of anti-social behaviour which can create longstanding negative perceptions and exacerbate community tensions. However highlighting further need for focus in this area is the fact that entering the criminal justice system for the first time is higher in Tower Hamlets compared to London with 158 new entrants in 2016 alone.

Further to this, The Children and Families Plan 2016-2019 highlights the strategic aims and priorities for all agencies working with children and young people across the borough. One of its visions is 'for children and families in Tower Hamlets to have the best possible health, a good standard of living and to grow up in an environment that respects their right to play and relax.'

In 2018, 92 per cent of residents surveyed agreed that people of different backgrounds get on well together in Tower Hamlets and the promotion of community cohesion between different parts of the community and provision of early support by the council and partner organisations is a key component of this.

### ***Scheme 5C - Services for people affected by domestic violence or other unsafe circumstances***

The priority of this scheme is for services for people affected by domestic violence and in particular aims to increase the extent to which young people affected by domestic violence and sexual abuse (DVSA) feel safe and increase the extent to which families affected by domestic violence feel safe.

There are two intended outcomes as outlined below:

1. More residents, particularly families and young people, are aware of the different forms that domestic violence and sexual abuse (DVSA) can take; know how to recognise it, and where to access support.
2. Young victims and witnesses of DVSA are supported to recognise and report it. Tower Hamlets Violence against Women and Girls Strategy 2016-19 (now 2019-24) states that abuse can take place regardless of gender, ethnicity, faith, sexuality or age.

The Tower Hamlets Strategic Plan 2019-22 highlights these issues in outcomes 7 and 8 which aim to ensure people feel safer in their neighbourhoods and anti-social behaviour is tackled as well as seeking to ensure people feel they are part of a cohesive and vibrant community. Violence against women and girls is also a key priority for the council and a pledge included in the Mayors Manifesto in 2017. Domestic violence accounts for the highest proportion (3,051 incidences) of violent crime in the borough, followed by violence with injury (2,835 incidences). Domestic violence in Tower Hamlets disproportionately affects women who are 97 per cent of victims however it is recognised that it also affects men and boys too.

The key strategy supporting this priority is The Tower Hamlets Violence against Women and Girls Strategy 2019-24 which sets out what the direction the council is taking in addressing all gender-specific abuse. The strategy directly informs the VAWG action plan which has three priorities which include support and protection for victims, bringing offenders to justice and education communities and challenging gender based discrimination (misogyny).

### Section 3 – Assessing the Impacts on the 9 Groups

Analysis by theme of the Local Community Fund set out below relating to equalities protected characteristic (EPC) includes reference to:

- a. Potential loss expressed as the provision for each LCF theme currently delivered through MSG. The structure of MSG with services linked to ‘Strands’ within each theme does not directly relate to the new Schemes which form the structure of the LCF. While a best fit has been attempted, there may be some areas still do not compare exactly
- b. Significant challenges which the LCF may help to address, and
- c. New activities (or the continuation of established activity) which it is anticipated would be provided by the recommended LCF bids in each Theme.

The analysis also includes borough maps showing the geographic distribution of the services proposed in the recommended LCF bids. These indicate which wards each service will benefit, including borough wide services. For Theme 3, Advice and Information, the recommended LCF bid is a single consortium bid covering the whole borough. The map for this Theme therefore indicates this.

Target Groups	Impact – Positive or Adverse The impact the proposal will have on specific groups of service users or staff.	Reason(s)	
Race	Adverse	Theme 1- Inclusion, health and wellbeing	Within Theme 1, none of the schemes specifically focus on race. Instead, all projects are required to demonstrate how they are culturally inclusive and welcoming for people of different ethnic backgrounds. All providers will also be required to demonstrate due regard in service delivery and mitigate adverse impact on any particular group. Community cohesion is also a cross-cutting theme of the LCF programme and therefore all providers will be required to demonstrate how they are

			<p>promoting cohesion.</p> <p>A number of projects actively emphasise engaging with people from a diverse range of ethnicities as an element of their project</p> <ul style="list-style-type: none"> <li>• St Hilda’s Girls Driven project will work with girls from diverse ethnic backgrounds</li> <li>• Age UK Caxton Hall activities project say older volunteer will receive equalities and diversity training. The project includes a community cohesion strand that will provide opportunity for older people to work alongside people of different backgrounds.</li> <li>• The REAL project aims to make more mainstream services culturally inclusive, welcoming and accessible for disabled people and people experiencing mental health issues from different ethnic backgrounds</li> </ul> <p>A number of projects within this theme have a particular focus on BME residents</p> <ul style="list-style-type: none"> <li>• Stifford Young Girl’s project seeks to empower girls from hard-to-reach BME backgrounds</li> <li>• Yard Theatre Tower Hamlets Teens project says it will be open to everyone irrespective of race and at least 50% of participants will identify as BME</li> <li>• The Vietnamese and Chinese Lunch and Social Club will be primarily focussed on people from the Vietnamese and Chinese community</li> <li>• London Tigers Exercise for health Project is specifically aimed at BME women, children and young people, particularly Bangladeshi, Somali and Arab speaking communities. There are specific targets in relation to the BME Community.</li> <li>• The Mudchute Association has specific targets for the numbers of Bangladeshi children engaging with the project.</li> <li>• The consortium led by Stifford Centre includes a number of organisations who focus on particular ethnic groups including Black Women’s Health and Family Support, Bangladesh Youth Movement and Wapping Bangladeshi Association.</li> <li>• The Bangladesh Youth Movement is also funded separately for a standalone</li> </ul>
--	--	--	---

			<p>project within theme 1 which is focused in BME women, particularly Bangladeshi women.</p> <p>The analysis in relation to race therefore looks positive, however there may be gaps in some areas.</p> <p>A number of previous areas of MSG reveal a high level of participation from BME communities. In the MSG Sports projects for example, we have the following data representing 528 beneficiaries: of the 84% that responded: Bangladeshi 64%, Somali 7%, White British 5%, Black British African 4%</p> <p>The following is the data from the MSG Vulnerable &amp; Excluded projects (230): Bangladeshi 63%, Black British African 7%, White British 6%, White European 4%, Mixed Other Ethnicity 4%, Somali 3%, Pakistani 3%</p> <p>This data is from the MSG Youth projects (635) – of the 85% of beneficiaries that responded to this category: Bangladeshi 70%, White British 9%, Somali 6%</p> <p>MSG Lifelong Learning &amp; Sport projects had the following data (927) – of the 68% of beneficiaries that responded to this category: Bangladeshi 32%, White British 19%, Prefer not to say 15%, White European 7%, Somali 6%</p> <p>MSG Lunch Clubs give the following data (2,189) – of the 36% who responded: Bangladeshi 27%, White British 25%, Chinese 12%, Somali 12%, Black Caribbean 5%, Vietnamese 5%</p> <p>And for MSG Prevention Health &amp; Wellbeing (908) – of the 79% that responded: White British 43%, Bangladeshi 25%, White Other 5%, Black Caribbean 5%, White Irish 3%, Indian 3%</p> <p>These figures indicate strong participation from BME groups, particularly Bangladeshi and Somali communities in the current MSG Programme. The numbers of people affected, for example in relation to the 2,189 lunch club beneficiaries is</p>
--	--	--	---

		<p>also significant. Given that 86% of Tower Hamlets residents feel people from different backgrounds get on well together (ARS 2018), it would be reasonable to expect a comprehensive borough wide service, to be able to effectively serve people of all races. However, it is acknowledged that access, participation and involvement in borough wide, more universal services can present a challenge for some BME communities, particularly smaller and more newly established communities such as the Somali or Chinese communities. There is therefore a need for the Council to make provision for specific communities to have a role in encouraging and facilitating access to mainstream services.</p> <p>Language learning and proficiency is a further issue where there is potential for adverse impact on those of particular ethnicities, particularly those for whom English is not their first or only language. There is a body of research<sup>1</sup> which suggests that mother tongue classes have a positive impact on language proficiency and literacy more widely. Whilst support for community languages is not something which is a specific focus for the new LCF theme, there are projects that recognise the barriers that language can create to accessing service. The Globe Community Project, for example, is targeted at a number of hard to reach groups including those with lower language and literacy levels. A broader consideration of the appropriate approach to community languages in the borough would clarify what the needs are in this regard and the best approach to addressing them.</p> <p>There are substantial differences in the new LCF theme compared to MSG theme and therefore a number of existing projects will not be funded as they were not a priority in the new theme. This means there may be gap in provision for those that were previously supported through the MSG programme.</p> <p>From our analysis the proposed change could potentially have an adverse impact on particular ethnic groups such as Somali, Bengali and Chinese communities. Through contract mobilisation, we will ensure that providers will address gaps and that they are inclusive, with access and participation reflecting the demographic composition</p>
--	--	--

<sup>1</sup> E.g. Benson, 2004; Benson & Kosonen, 2013; Yiakoumetti, 2012; The Journal of Applied Economics, Volume 51, 2019, v6, The impact of learning first in mother tongue

			of the borough. Furthermore, through the transition support for the LCF programme we will support existing providers to refer clients to other providers and also provide capacity building support to them.
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand. Tower Hamlets is the 16<sup>th</sup> most ethnically diverse local authority in England and two third of residents belong to minority ethnic groups. More than four in ten residents (43 per cent) were born outside the UK which means that English is a second language for a large number of residents which may create additional barriers around access to digital platforms and ICT skills.</p> <p>The Tower Hamlets Annual Residents Survey 2018 found that 92 per cent of respondents said they had access to the internet. While levels of internet access were the same for both White and Bangladeshi residents, patterns of use were quite different. Typically White residents were far more likely than Bangladeshi (and other BME) residents to use the internet for most activities. An example of this is 72 per cent of White residents with internet access used internet banking compared with 45 per cent of Bangladeshi residents and 59 per cent of those from other BME groups. In addition White residents were found to be almost three times as likely to have used email to make contact with the council as Bangladeshi residents (25 v 9 per cent). These findings underline the distinction between having access to the internet and the degree to which residents feel able or willing to use it for different purposes.</p> <p>The Digital First Project by the Wapping Bangladesh Association is one example of where this disparity can be addressed within the LCF programme. This project will work to engage socially isolated BME older adults 55+ who are not computer literate and digitally excluded. The project will deliver ICT and internet training that will help older BME adults to cope with facing key life transitions or challenges.</p> <p>In addition, all recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing</p>

			assessment of LCF projects during the lifetime of the funding.
	Positive	Theme 3- Advice and information	<p>Tower Hamlets is the 10 most deprived local authority in England, in terms of its average deprivation score. Poverty rates vary considerably by ethnic group. National estimates suggest that the Bangladeshi population has the highest rate of poverty across all groups, more than twice as high as the rate for the White population (50 vs. 19 per cent, UK). Other ethnic groups with high poverty rates include those from Pakistani, Black and Other BME groups (40-46 per cent). These national trends are also evident in Tower Hamlets with Bangladeshi residents being far more likely than other groups to live in low income households. In 2011, research for the Council found that 78 per cent of Bangladeshi residents lived in households receiving Council Tax Benefit, compared with 33 per cent of other (non-Bangladeshi) residents. Council Tax Benefit (now 'Council Tax Reduction Scheme') provides means-tested support to help low income households pay for Council Tax.</p> <p>The MSG Programme included Social Welfare Advice Services (5,860): The service users for this project were as follows Bangladesh 51%, White British 11%, African 7%, White Other 6%, Somali 5%. This is reflective of the levels of poverty and needs for this service amongst local residents.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include advice to improve personal budgeting, financial stability and reduction of personal debt for residents including the Bangladeshi and other minority communities in the borough. The impact of this on this protected characteristic will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are:</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>

	Neutral	Theme 4- Employment and skills	<p>BME residents, particularly women face inequalities within the labour market in Tower Hamlets. During 2014-16, less than half of the borough’s BME women were in work (48 per cent). Rates were lowest for Bangladeshi and Somali women – just one quarter of these women were in employment at the time of the 2011 census. BME workers were far more likely than White workers to work part-time: in 2011, almost four in ten BME workers were employed part-time compared with just 15 per cent of White workers. Once in work, White workers were far more likely than BME workers to be employed in professional and managerial jobs (65 vs. 45 per cent of workers). Bangladeshi workers were the least likely to be employed in professional and managerial jobs (25 per cent), while Indian workers were the most likely (80 per cent).</p> <p>In addition, 4 in 10 residents (43 per cent) of Tower Hamlets were born outside the UK which means there are large groups of people with poor proficiency in English who face additional barriers to employment. In 2011, resident whose first language was English were almost three times as likely to be in work compared with those with poor proficiency in English (71 per cent vs 25 per cent). Older Bangladeshi and Somali women were most likely to have poor English proficiency.</p> <p>The MSG Programme included the MSG Routeways to Employment Project whose beneficiaries were from a range of backgrounds and ethnicities as set out below. The 92% of beneficiaries that responded were: Bangladeshi 50%, White British 12%, African 5%, Somali 5%, Prefer not to say 5%, White Other 4%. The uptake of this project is reflective of the trends that exist around inequality in the labour market. All other groups had some representation apart from: Traveller Irish Heritage, Turkish/Turkish Cypriot, Greek/Greek Cypriot, White Gypsy.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. This is line with the need identified in this theme and the service users of the MSG Programmes. Within the Employment and Skills theme there are four projects specifically targeting disadvantaged groups including those from ethnic minorities who face additional barriers to employment in Tower Hamlets. These are:</p>
--	---------	-----------------------------------	---

			<ul style="list-style-type: none"> <li>• Society Links Tower Hamlets – Job Club</li> <li>• Stifford Centre Limited – BME Women’s Employment Support Programme</li> <li>• Four Corners Limited – ZOOM Film School</li> <li>• The Bromley by Bow Centre – Creative Communities</li> </ul> <p>BME women along with carers and single parents of Bengali, Somali and BME heritage with limited English language ability will be targeted to participate in a training programme to help those who have been unemployed and economically inactive, isolated and disenfranchised in order to improve their job prospects. In addition, another of the recommended projects will work with BME communities to nurture creative talent and enable them to acquire the practical skills, experience and industry knowledge needed to move into work in the creative industries.</p> <p>A number of projects will focus on other underrepresented group such as local white British residents.</p>
	Positive	Theme 5 – Community safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>Tower Hamlets is ranked as the 16<sup>th</sup> most ethnically diverse local authority in England in terms of the mix of different ethnic group populations. More than two thirds of our residents belong to minority ethnic groups and the borough is home to the largest Bangladeshi population in the country who comprise 1 in 3 residents. The second largest ethnic group, making up 31 p cent of the population is White British.</p> <p>The Mayor’s Office for Policing And Crime (MOPAC) reported that there were 577 instances of racist hate crime offences in Tower Hamlets between June 2018 and June 2019. MOPAC data reports that 41 per cent of victims of domestic abuse in Tower Hamlets are Asian, 35 per cent are white and 10 per cent Black.</p> <p>The boroughs ethnic diversity and regular instances of racist hate crime and domestic abuse support the decision to create a new community safety theme in the LCF programme.</p>

			<p>The recommended LCF projects will work to further reduce the exploitation of vulnerable groups through the provision of borough wide services. There are various projects which aim to reduce the exploitation of children, young people and other vulnerable groups including those from minority ethnic groups. These are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> <li>• Four Corners Ltd – Into Focus photography project</li> <li>• Leaders in Community – Project Connect</li> <li>• Hestia Housing and Support – Families Safe and Secure in Tower Hamlets</li> </ul> <p>Included in these projects will be specific support for young people and mothers of South Asian descent from throughout the borough living in refuges.</p>
Disability	Adverse	Theme 1- Inclusion, Health & Wellbeing	<p>Scheme 1E is specifically targeted to improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues. Projects across the theme have an inclusive offer for all service users, including those with disabilities. The majority of projects included within the Youth provision provide inclusive support including targeted provision for disabled users.</p> <p>18 out of 29 projects in this theme have specifically addressed this protected characteristic in their bids, most of them with projects that are specifically targeted at disabled people.</p> <ul style="list-style-type: none"> <li>• Half Moon Young People’s Theatre project. (Theatre shows and drama for young people) includes people with disabilities up to the age of 25. 7 for the 8 drama groups are fully inclusive. Disabilities needs are met with appropriate specialist access support (e.g. for neurodiverse young people and any young people with physical and/or cognitive disabilities, sensory impairments and mental health conditions). The final group is for young people aged 13-25 with complex and multiple disabilities or who operate within the autistic spectrum, whose needs are best met in a smaller specialist setting. Referrals from organisations such as the National Autistic Society are accepted.</li> <li>• Newark Youth Girl’s in Action project includes people with disabilities up to</li> </ul>

			<p>the age of 25</p> <ul style="list-style-type: none"> <li>• St Hilda’s Girls Driven project will work with girls and young women from diverse backgrounds including disability</li> <li>• Stifford Youth Girl’s project includes people with disabilities up to the age of 25</li> <li>• Yard Theatre Tower Hamlets Teens project says it will be open to everyone irrespective of disability and at least 10% of participants will be disabled or living with a chronic illness</li> <li>• Age UK Friend at Home project will match disabled housebound older people with volunteers</li> <li>• ELOP TH LGBT Support project will offer a weekly support and peer befriending group for disabled LGBT people included those with experience of mental health concerns</li> <li>• Stifford Centre Older People’s Lunch Club will offer health sessions such as Dementia Friend Club</li> <li>• Tower Hamlets Friends and Neighbours Older People’s Befriending project will provide advocacy services to older people the borough, befriender advocate are all trained Dementia Champions</li> <li>• The Globe Community Project delivers for people with chronic pain and illness, addressing social isolation</li> <li>• The Mudchute Association has specific targets for the numbers of disabled children engaging with the project.</li> <li>• Newark Youth’s project has specific sessions for disabled people</li> <li>• The consortium led by Stifford Centre includes a number of sessions specifically for people with disabilities.</li> <li>• The Deafplus project focuses on disability in the form of those who are deaf or hard of hearing and also has a mental health focus.</li> <li>• The Forget Me Not project focuses on people with memory problems including links to Alzheimers and their carers, giving them a variety of social experiences to produce improved health outcomes.</li> <li>• The ICM Foundation project focuses on those with learning disabilities and also works with other disability groups.</li> <li>• The St Hildas East project focuses on young people with disabilities and</li> </ul>
--	--	--	--

			<p>learning disabilities.</p> <ul style="list-style-type: none"> <li>• The Working Well Trust project focuses on people with mental health issues.</li> </ul> <p>Whilst a wide range of physical disabilities, learning disabilities, mental health issues and long term conditions are addressed by these projects, there appears to be a gap in terms of provision of mental health services for young people. It is hard to know how many young people who were beneficiaries of MSG had mental health problems as they have a high rate of not responding at all or selecting “prefer not to say” rather than declaring a mental health problem. For example, in the MSG Youth theme we see the following data (635) – of the 20% of beneficiaries that responded to this category: Prefer not to say 65%, Other Disability 19%, Learning 9%, Mental Health 2%, Physical 2%, Blind/Partially Sighted 2%, Deaf/Partially Deaf 1%</p> <p>In other themes such as the MSG prevention, health and wellbeing theme, declaring a Mental Health problem was much more common, with 60% responding and 25% indicating mental health. Evidence shows that it is possible to impact upon young people’s mental health by building their resilience to mental health problems, making this a missed opportunity to address this at an early age.</p> <p>From our analysis the proposed change could potentially have an adverse impact on particular disabled groups. Through contract mobilisation we will identify how proposed bidders will ensure those gaps are addressed. Furthermore, through the transition support for the LCF programme we will support existing providers to refer clients to other providers and also provide capacity building support to them.</p>
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand.</p> <p>The Tower Hamlets Annual Residents Survey 2018 found that while 92 per cent of residents surveyed said they had access to the internet those with a disability or health problem were far less likely to have internet access compared with those without a disability or health problem (67 vs 95 per cent).</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined</p>

			<p>above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding.</p>
	Positive	Theme 3- Advice and information	<p>The Housing Needs Survey carried out as part of the wider Strategic Housing Market Needs Assessment in 2014 estimated that there are approximately 20,293 households in the borough that contain at least one household member with a disability or limiting long term illness, and that 1.7 per cent of households said that they have a support need.</p> <p>Results from the survey also provided an indication of the extent to which homes have been adapted to meet the needs of disabled residents. Around 10.5 per cent of households said that their home had been adapted to meet the needs of a household member who is disabled. More advice services is likely to have a positive impact on people with disabilities.</p> <p>Adult's social care services support people who are disabled, ill, frail, elderly or vulnerable. Included in the wide range of support provided is the provision of information and advice. Tower Hamlets received 3,962 (1651 aged 18 – 64 and 2311 aged 65+) requests for support from new adult social care clients in 2018/19. Furthermore, 4,719 people received adult social care support (short-term and long-term) in 2018/19.</p> <p>Welfare reform has also had a significant impact on disabled residents and the MSG Social Welfare Advice Services (5,860) projects and the service users who had a disability were as follows – of the 41% of beneficiaries that responded: Physical disability 36%, Other Disability 32%, Mental Health 17%, Prefer not to say 8%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service providing advice and information services for residents with disabilities. The impact these services have on this protected characteristic will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p>

			<ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations some of which have disabled residents as primary clients.</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	Positive	Theme 4-employment and skills	<p>Disabled residents face inequalities within the labour market in Tower Hamlets. During 2014-16, less than half of all working age disabled people were in work compared with three quarters of the non-disabled population (48 vs 74 percent) Disabled people were also more likely to work part-time: in 2011, 39 per cent of disabled workers were employed part-time compared with 24 per cent of non-disabled workers.</p> <p>The MSG Programme included several projects whose beneficiaries who suffered from some type of disability as outlined below - 59% of beneficiaries that responded of which 48% had mental health issues, 29% preferred not to say 9% were Deaf/Partially Deaf 7% had a Learning disability, 6% had another Disability, 3% had a physical disability and 1% were blind or partially sighted.</p> <p>19% of beneficiaries responded in regard to The MSG Raising Attainment (210) Programme with 74% preferring not to disclose whether they had a disability, 23% had a learning disability and 3% had a physical disability.</p> <p>10 per cent of beneficiaries responded in relation to the MSG Community Languages (614) programme with 100% of respondents preferring not to disclose a disability.</p> <p>The recommended LCF projects and in particular Scheme 4A will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets such as those people with disabilities. This is line with the need identified in this theme and the service users of the MSG Programmes. Within the Employment and Skills theme there are two projects specifically targeting disadvantaged groups including those with disabilities who face</p>

			<p>additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• REAL DPO – NOW and THEN</li> <li>• Four Corners Ltd – Zoom Film School</li> </ul> <p>Through developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work these projects will work to overcome the persistent inequalities that exist in the labour market. The project will deliver an holistic package of service underpinned by coproduction to support companies in Tower Hamlets develop the confidence and capacity to be excellent employers of disabled people, and increase levels of employment amongst them. In addition, one of the projects in scheme c will focus on nurturing the creative talent, increase confidence and self-esteem, and enable disabled residents to acquire practical skills and experience to support move into creative industries.</p>
	<p>Positive/</p>	<p>Theme 5 Community Safety</p>	<p>Community Safety was not a Theme in the MSG 2015-18 programme</p> <p>From national estimates 2.17 per cent of the adult population would be expected to have a learning disability which equates to 4,848 people in Tower Hamlets. However there are only 961 people in Tower Hamlets registered with GPs as having a learning disability of which 46 per cent were of Asian background, mostly Bangladeshi. People with learning disabilities have poorer health and die younger with a lifespan that is 14 years less for males and 18 years less for females. Their complex health needs means that residents with disabilities are more vulnerable and require additional support.</p> <p>In addition to health vulnerabilities people with disabilities also face prejudice and hate crime, The Mayor’s Office for Policing And Crime (MOPAC) reported that there were 13 instances of disability hate crime offences in Tower Hamlets between June 2018 and June 2019.</p> <p>The LCF projects will work to reduce the exploitation of vulnerable groups such as those with disabilities through the provision of borough wide services. Within the Community Safety theme there are three projects which specifically aim to reduce</p>

			<p>the exploitation of children, young people and other vulnerable groups including those with a disability. There are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> </ul>
Gender	Positive	Theme 1 Inclusion, health & Wellbeing	<p>According to the 2018 Borough Profile, in 2014-16, healthy life expectancy was lower for men and women compared to London and England averages and particularly low for women. Disability-free life expectancy was significantly lower for men and women when compared to London and England averages.</p> <p>The MSG Programme had a mix in regards to participation on gender with the culture theme of (1,458) – of the 46% of beneficiaries that responded: Women 45%, Men 44%, Prefer not to say 11% and in sports (528) – of the 63% of beneficiaries that responded: Women 24%, Men 76%, on Vulnerable &amp; Excluded (230): Women 48%, Men 49%, Prefer not to say 3%, on Youth (635) - of the 86% of beneficiaries that responded: Women 48%, Men 48%, Prefer not to say 4%, on Lifelong Learning &amp; Sport (927) - of the 66% of beneficiaries that responded: Women 59%, Men 32%, Prefer not to say 9%, on Lunch Club (2,189) - of the 36% of beneficiaries that responded: Women 56%, Men 44% and on Prevention Health &amp; Wellbeing (908) - of the 83% of beneficiaries that responded: Women 77%, Men 22%</p> <p>A stated priority of Scheme 1A is increase the use of youth services by girls and young women. This scheme will be measuring the following outcomes that improve gender equality:</p> <ul style="list-style-type: none"> <li>• Children and young people, in particular girls and young women: have more confidence in themselves; are more resilient; and are able to, and do, access a range of spaces, activities and social opportunities across Tower Hamlets</li> <li>• Girls and young women feel included, are able to participate in any service, and are more likely to train to become youth leaders and/or develop their own initiatives</li> </ul> <p>The data from MSG indicates that some types of project were particularly good at engaging with women – namely lunch clubs (56%); lifelong learning and sport (59%)</p>

			<p>and prevention, health and wellbeing (77%)</p> <p>Through the LCF, 12 of the 29 projects have specifically addressed this protected characteristic in their bids with many focusing on women and/or girls as their main target group.</p> <ul style="list-style-type: none"> <li>• Canaan project provides activities for young women aged 11-19 on the Isle of Dogs</li> <li>• Newark Girls in Action project aims to increase access to youth services by girls and young women</li> <li>• Osmani Trust Family Mentoring Project has a stated outcome that young people and girls are able to access a range of spaces, activities and social opportunities across Tower Hamlets</li> <li>• St Hilda's Girls Driven project is a project designed to support girls and young women and will work with girls from diverse backgrounds with a wide range of activities</li> <li>• Stifford Young Girl's project seeks to empower girls from hard-to-reach BME backgrounds with a safe space participate in a range of activities that encourage their wellbeing, confidence and learn skills.</li> <li>• Yard Theatre Tower Hamlets Teens project says it will be open to everyone irrespective of gender and at least 65% of participants will be female. One of its stated outcomes is to transform young women into the community and cultural leader of tomorrow.</li> <li>• Age UK Friend at Home project to visit housebound older people states that 64% of the people they work with are female</li> <li>• London Tigers Exercise for Health Project is specifically aimed at BME women, with women only classes led by female coaches. It specifically addresses barriers to exercise faced by Muslim women as well as others faced by young Bangladeshi males. There are specific targets in relation to women.</li> <li>• The Mudchute Association has specific targets for the numbers of girls engaging with the project.</li> <li>• Newark Youth's project is specifically focused on children and young people</li> </ul>
--	--	--	---

			<p>and includes sports sessions specifically for girls and women including sessions for mothers and daughters and sessions for men including fathers and sons</p> <ul style="list-style-type: none"> <li>• The consortium led by Stifford Centre includes an organisation specifically for women- Black Women's Health and Family Support and has a number of sessions specifically for women. It also includes dedicated sessions for men.</li> <li>• The Bangladesh Youth Movement's project is focused on health activities for BME women.</li> </ul> <p>There is a broad range of provision across a number of different types of project, including youth activities, social activities, health development and sport. It will be important to ensure that any variation in the nature of activities provided under LCF compared to MSG does not result in an unintentional decrease in participation from women.</p>
	Positive	Theme 2- Digital I- inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>The Tower Hamlets Annual Residents Survey 2018 found that while 92 per cent of residents surveyed said they had access to the internet, There was a similar split between the gender of respondents with 93 per cent of males and 91 per cent of females having access to the internet in Tower Hamlets.</p> <p>84 per cent of overall respondents confirmed they used the internet for emails with of which 87 per cent were male and 81 per cent were female, Results were similar for using the internet for browsing for information about goods and services with 77 per cent of male and 74 per cent of female respondents confirming they use this internet for this purpose. Similarly social media use on the internet was comparable between male and females being 73 per cent and 70 percent respectively. There was a bigger difference between respondents who used the internet for banking. 66 per cent of males surveys revealed they did while only 58 per cent of females agreeing.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information</p>

			<p>about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. The Society Links Tower Hamlets – E-Safety Champions project will train local women to become champions for e-safety in the community. Weekly workshops will cover all areas of online safety and once trained, champions will go into schools and community groups to spread their knowledge to young people and parents/carers through presentations and workshops.</p>
	Positive	Theme 3 – Advice and information	<p>The take up of services for Social Welfare Advice Services (5,860): in the MSG Programme was similar between gender with Women at 55%, and Men at 44%, with 1% preferring not to say</p> <p>No positive or negatives can be identified at this stage. All projects will be required to demonstrate how they involve residents from diverse backgrounds and provide equalities information on service users. All providers will also be required to demonstrate due regard in service delivery and mitigate adverse impact on any particular group.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include many existing providers with a strong track record of ensuring people with equalities protected characteristics are included in service provision. This will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <p>East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations some of whose primary clients are women. Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</p>
	Positive	Theme 4- Employm	<p>BME women face inequalities within the labour market in Tower Hamlets. During 2014-16, less than half of the borough’s BME women were in work (48 per cent).</p>

		ent & Skills	<p>Rates were lowest for Bangladeshi and Somali women – just one quarter of these women were in employment at the time of the 2011 census. Employment rates are particularly low for Bangladeshi and Pakistani women (26 and 35 per cent) - these two populations have the widest gender gap in employment rates across all ethnic groups. Men have higher employment rates than women across all groups, except for the Black Caribbean population, where women are a bit more likely than men to be in work (64 vs 60 per cent).</p> <p>Several MSG Programmes addressed the employment inequalities that exist and of the 96 per cent of beneficiaries that responded in relation to the MSG Routeways to Employment (341) Programme 74 per cent were women and 25 per cent were men. The beneficiaries of the MSG Raising attainment Programme were 49 per cent women and 51 per cent men which is somewhat reflective of the fact that on average, girls have higher attainment levels in schools in the borough than boys and there is additional focus required in this area for males.</p> <p>Of the 54% of respondents of the MSG Community Language programme 49 per cent were women and 51 per cent men.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. This is line with the need identified in this theme and the service users of the MSG Programmes. Within the Employment and Skills theme there are four projects specifically targeting disadvantaged groups including women who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• Limehouse Project – Developing potential</li> <li>• Society Links Tower Hamlets – Job Club</li> <li>• Four Corners Ltd – ZOOM Film School</li> <li>• The Bromley by Bow Centre – Creative Communities</li> </ul> <p>As outlined above women in Tower Hamlets face barriers to employment and the recommended LCF Projects will work to develop skills and enable women to make</p>
--	--	--------------	--

			<p>informed choices on their futures, supporting them into training, volunteering and work. In addition, weekly job club session will be held which will include tailored employment support with creating a CV, accessing emails, job searching, applications and using universal job match. Projects will also be run to help women who have been long-term unemployed, economically inactive, isolated and disenfranchised in order to improve their job prospects.</p>
	Positive/	Theme 5– Communi ty Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>There are around 12,900 more male residents than female residents in Tower Hamlets that puts the male to female ratio at 10.9. While this isn't a significant difference there is significant overrepresentation of women as victims in cases of domestic violence and sexual offences. The Mayor's Office for Policing and Crime (MOPAC) report that there were 3,658 instances of domestic abuse offences reported in the 12 month period between June 2018 and June 2019. 88 per cent of victims were female and while it is recognised that males can be victims of domestic violence females are disproportionately impacted by it. MOPAC also report that there were 783 sexual offences reported in Tower Hamlets in this same time period of which 87 per cent of victims were female.</p> <p>These stark numbers support the need for the community safety theme to be created from the LCF and the projects commissioned will work to further reduce the exploitation of vulnerable residents including women in the borough. In particular, scheme 5C focuses on services for people affected by domestic violence or other unsafe circumstances which as outlined above are predominantly women,</p> <p>Within the Community Safety theme there is one project which specially targets people affected by domestic violence or other unsafe circumstances. This is:</p> <ul style="list-style-type: none"> <li>• Hestia Housing and Support – Families Safe and Secure in Tower Hamlets</li> </ul> <p>This project will support families who have experiences DVSA and who are living in a local refuge to address the trauma they've faced and to learn about what a healthy relationship looks like. It will also raise awareness amongst the Tower Hamlets</p>

			community of domestic violence and how to report it.
Gender Reassignment	Positive	Theme 1 – Inclusion, Health & wellbeing	<p>Scheme 1A and 1E have stated outcomes that children, young people and people with disabilities who may feel excluded from participating in mainstream services and activities (e.g. from minority groups, who are disabled, who are LGBTQI, or who are carers for others) can participate in a range of activities and experiences.</p> <p>None of the MSG strands had statistically significant representation of transgender beneficiaries reported. Only 4 beneficiaries out of over 6,000 across all the strands relevant to this theme in the snapshot period identified as transgender</p> <p>None of the schemes specifically focus on gender reassignment. However, all projects will be required to demonstrate how they are inclusive and welcoming for people of different backgrounds. All providers will also be required to demonstrate due regard in service delivery and mitigate adverse impact on any particular group</p> <p>4 projects have specifically addressed this protected characteristic in their bids:</p> <ul style="list-style-type: none"> <li>• ELOP Tower Hamlets LGBT Support project will enhance peer networks, lessen isolation and provide mental health crisis prevention support to the Lesbian, Gay, Bisexual and Transgender community</li> <li>• Yard Theatre Tower Hamlets Teens project says it will be open to everyone irrespective of sexual orientation and at least 15% of participants will be LGBTQ</li> <li>• The Globe Community Project is targeted at a number of hard to reach groups including LGBTQ people.</li> <li>• The Real project aims to make more mainstream services culturally inclusive, welcoming and accessible for disabled people and people experiencing mental health issues who are LGBTQI</li> </ul>
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>There is limited information relating to this protected characteristic and digital inclusion however the recommended LCF projects will provide a comprehensive</p>

			<p>borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding</p>
	Positive	Theme 3- Advice & Information	<p>There is limited information available in relation to this protected characteristic and advice and information services in Tower Hamlets. In addition, the monitoring information for the MSG Programmes has not reported that transgender residents have utilised these services - MSG Social Welfare Advice Services (5,860): 0% reported as transgender.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include many existing providers with a strong track record of ensuring people with equalities protected characteristics are included in service provision. This will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <p>East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</p>
	Positive	Theme 4- Employment and Skills	<p>There is limited information available in relation to this protected characteristic and employment in Tower Hamlets. In addition, the monitoring information for the MSG Programmes have not reported that transgender residents have utilised these services as outlined below:</p> <p>MSG Routeways to Employment (341): 0% reported as transgender</p> <p>MSG Raising Attainment (210): 0% reported as transgender</p>

			<p>MSG Community Languages (614): 0% reported as transgender</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p> <p>Within the Employment and Skills theme there are two projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• The Bromley by Bow Centre – Creative Communities</li> <li>• Society Links Tower Hamlets – Job Club</li> </ul>
	Positive/	Theme 5-Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>The number of people undergoing gender reassignment in Tower Hamlets is unknown however we know inequalities with this cohort exist. The Mayor’s Office for Policing And Crime (MOPAC) reported that there were 7 instances of transgender hate crime offences in Tower Hamlets between June 2018 and June 2019.</p> <p>The LCF projects will work to reduce the exploitation of vulnerable groups in the borough and within the Community Safety theme there are three projects which specifically aim to reduce the exploitation of children, young people and other vulnerable groups. These are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> </ul>
Sexual Orientation	Positive	Theme 1-Inclusion, Health and	<p>Scheme 1A and 1E have stated outcomes that children, young people and people who may feel excluded from participating in mainstream services and activities (e.g. from minority groups, who are disabled, who are LGBTQI, or who are carers for others) can participate in a range of activities and experiences.</p>

		Wellbeing	<p>The MSG data indicates that between 0 and 3% of beneficiaries declared themselves to be Lesbian, Gay or Bisexual in the projects relevant to this theme.</p> <p>4 projects have specifically addressed this protected characteristic in their bids:</p> <ul style="list-style-type: none"> <li>• ELOP Tower Hamlets LGBT Support project will enhance peer networks, lessen isolation and provide mental health crisis prevention support to the Lesbian, Gay, Bisexual and Transgender community</li> <li>• Yard Theatre Tower Hamlets Teens project says it will be open to everyone irrespective of sexual orientation and at least 15% of participants will be LGBTQ</li> <li>• The Globe Community Project is targeted at a number of hard to reach groups including LGBTQ people.</li> <li>• The Real project aims to make more mainstream services culturally inclusive, welcoming and accessible for disabled people and people experiencing mental health issues who are LGBTQI</li> </ul>
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>There is limited information relating to this protected characteristic and digital inclusion in Tower Hamlets however the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding</p>
	Positive	Theme 3- Advice and Information	<p>There is limited information available in relation to this protected characteristic and advice and information services in Tower Hamlets. In addition, the monitoring information for the MSG Programmes have not reported the following - MSG Social Welfare Advice Services (5,860) – of the 42% of beneficiaries that responded: Heterosexual 76%, Prefer not to say 24%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include many existing providers with a strong track record of ensuring</p>

			<p>people with equalities protected characteristics are included in service provision. This will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	Positive	Theme 4 – Employment and skills	<p>There is limited information about sexual orientation and employment in Tower Hamlets. The monitoring information for MSG Projects in relation to sexual orientation is outlined below:</p> <p>MSG Routeways to Employment (341) – of the 90% of beneficiaries that responded: Heterosexual 81%, Gay 2%, Bisexual 1%, Prefer not to say 16%</p> <p>MSG Raising Attainment (210) – of the 46% of beneficiaries that responded: Heterosexual 60%, Prefer not to say 40%</p> <p>MSG Community Languages (614) – of the 10% of beneficiaries that responded: Prefer not to say 100%</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p> <p>Within the Employment and Skills theme there are two projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• The Bromley by Bow Centre – Creative Communities</li> </ul>

			<ul style="list-style-type: none"> <li>• Society Links Tower Hamlets – Job Club</li> </ul>
	Positive	Theme 5-Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>There is limited information about the sexual orientation of people in Tower Hamlets however we know inequalities with this cohort exist. The Mayor’s Office for Policing And Crime (MOPAC) reported that there were 112 instances of sexual orientation hate crime offences in Tower Hamlets between June 2018 and June 2019.</p> <p>These instances support the need for the creation of the community safety theme under the LCF project which will work to reduce the exploitation of vulnerable groups in the borough and within the Community Safety theme there are three projects which specifically aim to reduce the exploitation of children, young people and other vulnerable groups. There are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> </ul>
Religion or Belief	Positive	Theme 1 – Inclusion, Health & wellbeing	<p>None of the schemes specifically focus on any religion or belief. All projects will be required to demonstrate how they are culturally inclusive and welcoming for people of different ethnic backgrounds. All providers will also be required to demonstrate due regard in service delivery and mitigate adverse impact on any particular group</p> <p>The MSG data shows that the majority of beneficiaries, who indicated a faith, were Christian or Muslim, with percentages from 26% to 82% for Muslims depending on the theme and 6% to 40% for Christian. A number of other faiths with much smaller proportions of beneficiaries were also recorded. Between 2 and 25% declared that they had no religion and in some areas there was up to 4% of beneficiaries who declared themselves to be humanist.</p> <p>The following 2 projects have specifically addressed this protected characteristic in their bids.</p>

			<ul style="list-style-type: none"> <li>• The Real project aims to make more mainstream services culturally inclusive, welcoming and accessible for disabled people and people experiencing mental health issues from different faith backgrounds.</li> <li>• The London Tigers project specifically addresses barriers to exercise faced by Muslim women</li> </ul>
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>There is limited information relating to this protected characteristic and digital inclusion in Tower Hamlets however the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding</p>
	Positive	Theme 3- Advice & information	<p>There is limited information available in relation to this protected characteristic and advice and information services in Tower Hamlets. In addition, the monitoring information for the MSG Programmes have not reported the following about the MSG Programme service users - MSG Social Welfare Advice Services (5,860) – of the 43% of beneficiaries that responded: Muslim 67%, Prefer not to say 26%, Christian 4%, Hindu 1%, No Religion 1%, Other Religion 1%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include many existing providers with a strong track record of ensuring people with equalities protected characteristics are included in service provision. This will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets – Includes a</li> </ul>

			<p>consortium of 13 organisations</p> <ul style="list-style-type: none"> <li>Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	Positive	Theme 4- Employment and skills	<p>From national and local data we know there are significant employment inequalities facing Muslim women compared to other groups and is a key priority locally.</p> <p>The monitoring information about beneficiaries of the MSG Projects is set out below:</p> <p>MSG Routeways to Employment (341) – of the 91% of beneficiaries that responded: Muslim 60%, Christian 15%, No Religion 12%, Prefer not to say 6%, Other Religion 3%, Agnostic 2%, Buddhist 2%, Sikh 1%</p> <p>MSG Raising Attainment (210) – of the 88% of beneficiaries that responded: Muslim 84%, No Religion 9%, Christian 4%, Buddhist 2%, Prefer not to say 1%</p> <p>MSG Community Languages (614) – of the 35% of beneficiaries that responded: Muslim 100%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p> <p>Within the Employment and Skills theme there are a number of projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These include:</p> <ul style="list-style-type: none"> <li>Society Links Tower Hamlets – Job Club</li> <li>Stifford Centre Limited – BME Women’s Employment Support Programme</li> <li>Four Corners Limited – ZOOM Film School</li> <li>The Bromley by Bow Centre – Creative Communities</li> </ul>
	Positive	Theme 5- Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>Tower Hamlets has the highest proportion of Muslim residents in the country. In</p>

			<p>2011, 38 per cent of borough residents were Muslim compared with 5 per cent in England and 13 per cent in London. Other smaller, but significant, faith groups represented in the borough include: Hindu (1.8 per cent), Buddhist (1.2 per cent) Jewish (0.6 per cent) and Sikh (0.4 per cent).</p> <p>The Mayor's Office for Policing And Crime (MOPAC) reported that there were 10 instances of anti-Semitic hate crime offences, 141 faith hate crime offences and 106 Islamophobic offences, in Tower Hamlets between June 2018 and June 2019.</p> <p>These instances support the need for the creation of the community safety theme under the LCF project which will work to reduce the exploitation of vulnerable groups in the borough and within the Community Safety theme there are three projects which specifically aim to reduce the exploitation of children, young people and other vulnerable groups. These are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> </ul>
Age	Adverse	Theme 1- Inclusion, Health & Wellbeing	<p><b>Young people</b></p> <p>According to the HMRC's Children in Low Income Families Local Measure, around 20,270 children in Tower Hamlets were living below the national poverty line in 2016 – this represents 32.5 per cent of children in the borough – the highest rate in Great Britain. In addition, welfare reform is likely to add increased financial pressures for families in receipt of benefits, presenting a key challenge for some families.</p> <p>A high proportion of children are eligible for free school meals. This is based on means tested benefits and is an indicator of the level of financial need within families with children. 33 per cent of our primary pupils are eligible for and claim free school meals, compared with 16 per cent in London and the national average of 14 percent. Similarly, 40 per cent of our secondary pupils are eligible for and claim free school meals, compared with the London average of 17 per cent and the national average of 13 percent.</p> <p>At the end of 2016, 6 per cent of 16-17 year olds in Tower Hamlets were NEET</p>

		<p>(including those whose activity is unknown), which is line with the national average (6 per cent) and slightly higher than the London average (5 per cent). However White British young people are over represented in NEET cohort.</p> <p>The rate of children with one or more decayed or missing teeth has gone down and in 2015 it was 36 per cent. However this was the third highest rate across all London boroughs.</p> <p>43 per cent of children in year 6 were overweight or obese compared with 39 per cent in London and 34 per cent nationally. In 2016/17, the prevalence of diabetes in Tower Hamlets was 6.8 per cent, which was slightly higher than London (6.5 per cent), but similar to England (6.7 per cent).</p> <p>Scheme 1A is aimed at improving outcomes for children, young people and families. 11 projects for schemes 1A have specifically addressed children and young people in their bids as the main focus of their activities:</p> <ul style="list-style-type: none"> <li>• Canaan project provides activities for young women aged 11-19 on the Isle of Dogs</li> <li>• Half Moon Theatre project offers professional theatre shows and drama activities for children and young people from 0-18 (or 25 for disabled young people) from all backgrounds.</li> <li>• Newark Girls in Action project aims to increase access to youth services by girls and young women</li> <li>• Osmani Trust Family Mentoring Project aims to provide through family mentoring a range of Early Help support to children, young people and their families to help them overcome their immediate challenges and meet their needs in order for them to thrive in healthy and safe families.</li> <li>• St Hilda's Girls Driven project is a project designed to support girls and young women and will work with girls from diverse backgrounds with a wide range of activities</li> <li>• Stifford Young Girl's project seeks to empower girls from hard-to-reach BME backgrounds with a safe space participate in a range of activities that encourage their wellbeing, confidence and learn skills.</li> </ul>
--	--	---

			<ul style="list-style-type: none"> <li>• Yard Theatre Tower Hamlets Teens project offers youth leadership workshops, drama workshops, summer masterclasses, and schools performances for Tower Hamlets teenagers.</li> <li>• London Tigers Exercise for health Project is specifically aimed at children and young people, identifying the barriers they face and the inequality of outcomes, particularly those faced by young Bangladeshi males. There are specific targets in relation to children and young people.</li> <li>• Mudhcute Association’s project specifically targets children but also has specific targets for the numbers of older people engaging with the project.</li> <li>• Newark Youth’s project is specifically focused on children and young people and also has specific sessions for older people.</li> <li>• The St Hildas East project focuses on young people with disabilities and learning disabilities.</li> </ul> <p>These projects represent a broad and varied range of activities and target groups including both children and young people. The age group that does, however appear to be missing is the Early Years age group i.e. 0-5 years of age. Whilst there is no comparative MSG data, as it does not measure less than 5 years old, it is clear that this age group is a particular group that is not being served through the LCF as it currently stands and this would need addressing. As discussed under disability, above, it is also apparent that whilst there are projects concentrating on disability and learning disability amongst young people there is a gap around young people and mental health which should be addressed.</p> <p>The consideration of young carers is discussed under other factors below.</p> <p><b>Older People</b> The Tower Hamlets Joint Strategic Needs Assessment 2016 for Older People in Tower Hamlets stated:</p> <ul style="list-style-type: none"> <li>• In 2015, less older people (36%; 5,948) were living alone in TH compared to in London (37%) but similar to England (36%).</li> <li>• Depression: is estimated at 10-15% of the older population and severe</li> </ul>
--	--	--	---

			<p>depression is estimated at 3%.</p> <ul style="list-style-type: none"> <li>• Approximately 11.4% of the Serious Mental Illness register is made up of people aged 65 and over.</li> <li>• Dementia: (as per September 2015):             <ul style="list-style-type: none"> <li>○ There were 826 residents aged 65 and over with a diagnosis of dementia. The primary care recorded prevalence of dementia in Tower Hamlets was significantly higher (4.87%) than in London (4.27%) and England (4.27%).</li> <li>○ There were 759 emergency admissions for residents aged 65 and over with a mention of dementia and the age standardised rate of emergency admissions was significantly higher (4,478 per 100,000 population) than for London and England.</li> <li>○ However, the age standardised mortality rate in residents with a recorded mention of dementia (752 per 100,000 population) was similar to London (687) and England (750) in 2014.</li> <li>○ Older population set to be fastest growing age group: 39% increase expected by 2028.</li> <li>○ Admissions to care homes for older people decreased from 613 to 492 per 100,000 of the population, as more as more people are helped to stay in their own homes for longer. (local account)</li> </ul> </li> </ul> <p>Scheme 1B is to improve outcomes for older people. 13 projects under this scheme have specifically addressed older people in their bids as the main focus of their activities</p> <ul style="list-style-type: none"> <li>• Age UK Caxton Hall activities are designed to help reduce loneliness and isolation and increases inclusion among older people by providing activities that increase their health and wellbeing, connections and visibility in the community.</li> <li>• Age UK Friend at Home project matches housebound older people who with volunteers who can offer company at home. It matches up to 120 older people who are frail, housebound and isolated with friendship volunteers.</li> </ul>
--	--	--	--

			<ul style="list-style-type: none"> <li>• The Vietnamese and Chinese Lunch and Social Club project will provide healthy lunches and social and health promotion activities for up to 60 older people, aged over 50, primarily from the Vietnamese and Chinese community in Tower Hamlets.</li> <li>• ELOP Tower Hamlets LGBT Support project will enhance peer networks, lessen isolation and provide mental health crisis prevention support. It offers two facilitated social support groups one group will be for older people</li> <li>• St Hilda’s Older People’s Feeling Good project is for older people from throughout the Borough, Providing lunches and opportunities such as indoor sport, IT learning, singing, art, intergenerational activities with schoolchildren and outings</li> <li>• Stifford Older People’s Lunch Club offers social sessions to older people in the local community to combat isolation and encourage them to feel part of the community by contributing to it. It provides support for dementia sufferers and their carers,</li> <li>• Tower Hamlets Friends and Neighbours Older People’s Befriending project will be providing befriending and advocacy services to older people in the borough.</li> <li>• Toynbee Hall Wellbeing Centre will offer relational support to older people aged 50+ in Tower Hamlets. It will build stronger networks of information sharing and peer-support between users and those not accessing services.</li> <li>• The Globe Community Project is targeted at a number of hard to reach groups including over 50s.</li> <li>• Mudhcute Association’s project specifically targets children but also has specific targets for the numbers of older people engaging with the project.</li> <li>• Newark Youth’s project is specifically focused on children and young people and also has specific sessions for older people.</li> <li>• The consortium led by Stifford Centre includes a number of sessions specifically for the 50+ age group.</li> <li>• The Working Well Trust project focuses on people with mental health issues and includes specific provision for a third of clients to be those over the age of 50 and has specific targets relating to the service provided to older people.</li> </ul>
--	--	--	--

			<p>There is a broad range of services funded for older people. Comparing with MSG, it is noticeable, however, that particular types of projects are particularly effective at engaging older people. 93% of lunch club beneficiaries were older people and there were 2189 beneficiaries. A number of the LCF projects will similarly be able to attract large numbers and proportions of older people and address social isolation, whether or not they operate as a lunch club or using some other method. Different methods of delivery may however present a challenge for some more traditional or isolated communities, including BME communities. There is a need to ensure that social isolation in BME older people continues to be addressed throughout the LCF and consideration of how this happens during the transition to the LCF and in the longer term needs to be considered.</p> <p>From our analysis the proposed change could potentially have an adverse impact on particular age groups. Through contract mobilisation we will identify how proposed bidders will ensure those gaps are addressed. Furthermore, through the transition support for the LCF programme we will support existing providers to refer clients to other providers and also provide capacity building support to them.</p>
	<p>Positive</p>	<p>Theme 2- Digital Inclusion</p>	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>Today in the UK, there are over eleven million people who lack the basic digital skills they need to participate fully in our digital economy. The Office of National Statistics suggests that there is no single reason for people being digitally excluded but the main reasons tends to include:</p> <ul style="list-style-type: none"> <li>• A lack of interest in the internet and digital (59%)</li> <li>• A belief they lack the skills to go online (21%)</li> <li>• The cost of equipment (9%)</li> </ul> <p>We know that older people face additional barriers in relation to digital platforms and are more likely to be digitally excluded. The Tower Hamlets Annual Residents Survey found that levels of internet access are strongly related to age. All those surveyed who are aged 18 – 34 had access to the internet compared with just over half of those aged 60 and over (100 vs 54 per cent). Older residents were far less</p>

			<p>likely to use and prefer online methods. Just 5 per cent of those aged 60 and over said they had made contact via email compared with 20 per cent of those aged 18 - 34. In contrast, older residents were more likely than younger residents to say they had made contact in person (at a council office, one stop shop/idea store or library) (23 v 9 per cent)</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding.</p> <p>In particular Scheme 2A will work to support and train older people to make them feel more informed and digitally included. Scheme 2B will also work to support people of all ages to be more aware of potential online dangers including online scams, online bullying and how to keep themselves safe.</p> <p>The following recommended projects will aim to prevent digital exclusion in older adults in order to prevent social isolation and increase their ability to access online health related support:</p> <ul style="list-style-type: none"> <li>• Limehouse Project – DigiTIES</li> <li>• Newham New Deal Partnership - @online club network Tower Hamlets</li> <li>• Wapping Bangladesh Association – Digital First</li> </ul> <p>In addition the following project will work to build the digital resilience of children and young people and their families and raise the awareness of online safety with parents so that as families they are safe from risk and able to utilise digital resources –</p> <p>Sporting Foundation – Building Digital Resilience Society Links – E safety Champions</p>
	Positive	Theme 3- Advice &	Access to social welfare advice is likely to have a beneficial impact on older people. Tower Hamlets has the highest rate of social care need for older residents in the

		<p>Information</p>	<p>country. In Tower Hamlets, the population of residents aged 65 and over is expected to grow by 39 per cent over the next ten years, compared with 17 per cent growth of the working age population. Borough residents also face the worst disability-free life expectancy in London. Men in Tower Hamlets have a disability-free life expectancy of 56.9 years compared with 63.8 years in London, and women in Tower Hamlets have a disability-free life expectancy of 56.4 years compared with 63.7 years in London. Tower Hamlets has the highest rate of social care need for older residents (aged 65 and over) in the country, at a rate of 12,235 service users per 100,000 population compared with 7,515 in London and 5,845 in England.</p> <p>The MSG Programme included Social Welfare Advice Services (5,860) – of the 95% of beneficiaries that responded: 26-49 year old 62%, 50-64 22%, 18-25 8%, 65+ 6%, 12-17 1%, Prefer not to say 1%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who need advice and information services in Tower Hamlets and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. This is line with the need identified in this theme and the service users of the MSG Programme the recommended projects will include welfare advice and information services for older residents on a range of issues. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations some of whose primary clients are older people.</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	<p>Positive</p>	<p>Theme 4- Employment and Skills</p>	<p>Employment levels vary considerably across different population groups. By age, employment rates tend to peak for people in the 25-49 age group: during 2014-16, almost four in five adults in this age group were in work (78 per cent).</p>

		<p>Older residents aged 50 and over face inequalities within the labour market in Tower Hamlets. The employment rate for older workers in Tower Hamlets is relatively low. 58 per cent of borough residents aged 50-64 were in work compared with 69 per cent across London.</p> <p>Employment rates are typically low for young adults, many of whom are students. In Tower Hamlets, less than half of those aged 16-24 were in work during 2014-16. The 2011 Census found that over one third (36 per cent) of residents aged 16-24 were not in work because they were in full-time education. Young people are also more likely to be unemployed than other age groups. At the time of the 2011 Census, 14 per cent of young residents aged 16-24 said they were unemployed compared with 7 per cent of those aged 25-64.</p> <p>The monitoring information about beneficiaries of the MSG projects relating to employment is set out below.</p> <p>MSG Routeways to Employment (341) – of the 92% of beneficiaries that responded: 26-49 year old 59%, 50-64 18%, 18-25 16%, Prefer not to say 4%, 12-17 3%</p> <p>MSG Raising Attainment (210): 12-17 year old 55%, 5-11 43%, 18-25 1%</p> <p>MSG Community Languages (614): 5-11 year old 76%, 12-17 17%, 0-4 7%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. This is line with the need identified in this theme and the service users of the MSG Programmes. Within the Employment and Skills theme there is one project specifically targeting disadvantaged groups including young people who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• St Giles Trust – Choices Tower Hamlets</li> <li>• Auto Italia South East – Learning Live</li> <li>• Magic Me – Artworks</li> </ul>
--	--	--

			<p>Among other things these projects will support NEET young people who are facing multiple disadvantages to access education, skills development and employment as well as aiming to show case skills and talents of young people from the performing arts facilities,</p>
	Positive	Theme 5-Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme.</p> <p>Tower Hamlets has the 4<sup>th</sup> youngest population in the UK. Almost half of residents (46 per cent) are aged 20 – 39. It also has the highest rate of child poverty in Great Britain, 31 per cent of children live in families below the poverty line, almost double the rate nationally (17 per cent). Almost four in five children in the borough live in families reliant of tax credits, which provide means tested support for in work and out of work families.</p> <p>The high levels of deprivation impact children in the borough and give rise to a number of vulnerabilities that will be addressed through the LCF. Scheme 5A works to specially reduce the exploitation of children and young people while scheme 5B will work to improve the perception of young people in the community. The need for this arises through the Mayor’s Office for Policing And Crime (MOPAC) reporting that 9.5 per cent of perpetrators of reported hate crime offences between June 2018 and June 2019 were aged less than 18 years of age. While there were 679 instances of youth violence reported in the year ending January 2018 which has damaged the perception of young people in the borough.</p> <p>These instances support the need for the creation of the community safety theme under the LCF project which will work to reduce the exploitation of vulnerable groups in the borough and within the Community Safety theme there are three projects which specifically aim to reduce the exploitation of children, young people and other vulnerable groups. These are:</p> <ul style="list-style-type: none"> <li>• Kazzum Arts – Build</li> <li>• Osmani Trust - Schools and Community Resilience Programme</li> <li>• Streets of Growth - Resilient Young Leaders Programme</li> </ul>

			<p>In addition, there are two projects which will work to improve the perception of young people in the community. These projects will offer intergenerational photography projects for different age groups to address misconceptions between older and younger people to promote positive attitude and mutual understandings. These are:</p> <ul style="list-style-type: none"> <li>• Four Corners – Into Focus Photography project</li> <li>• Leaders in community – project connect</li> </ul>
Marriage and Civil Partnerships	Positive	Theme 1- Inclusion, Health & Wellbeing	<p>None of the schemes specifically focus on marriage and civil partnerships. All projects will be required to demonstrate how they are inclusive and welcoming for people of different backgrounds. All providers will also be required to demonstrate due regard in service delivery and mitigate adverse impact on any particular group.</p> <p>The following is the data from MSG of relevance to this theme</p> <p>MSG Culture (1,458) – of the 1% of beneficiaries that responded: Single 80%, Married 20%</p> <p>MSG Sports (528) – of the 52% of beneficiaries that responded: Single 100%</p> <p>MSG Vulnerable &amp; Excluded (230) – of the 51% of beneficiaries that responded: Single 64%, Married 31%, Cohabiting 3%, Prefer not to say 2%</p> <p>MSG Youth (635) – of the 71% of beneficiaries that responded: Single 91%, Prefer not to say 9%</p> <p>MSG Lifelong Learning &amp; Sport (927) – of the 62% of beneficiaries that responded: Married 39%, Prefer not to say 33%, Single 20%, Cohabiting 8%, Civil Partnership 1%</p> <p>MSG Lunch Club (2,189) – of the 30% of beneficiaries that responded: Prefer not to say 50%, Married 25%, Single 25%</p> <p>MSG Prevention Health &amp; Wellbeing (908) – of the 71% of beneficiaries that</p>

			responded: Married 33%, Prefer not to say 33%, Single 29%, Cohabiting 4%, Civil Partnership 1%
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>There is limited information relating to this protected characteristic and digital inclusion in Tower Hamlets however the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding</p>
	Positive	Theme 3- Advice & Information	<p>There is limited information available in relation to this protected characteristic and advice and information services in Tower Hamlets. In addition, the monitoring information for the MSG Programmes have reported the following about the MSG Programme service users - MSG Social Welfare Advice Services (5,860) – of the 79% of beneficiaries that responded: Married 41%, Single 41%, Prefer not to say 11%, Cohabiting 4%, Civil Partnership 3%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service which will include many existing providers with a strong track record of ensuring people with equalities protected characteristics are included in service provision. This will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>

	Positive	Theme 4- Employment & Skills	<p>There is limited information relating to marriage/civil partnership and employment rates in Tower Hamlets. The monitoring information about beneficiaries of the MSG Projects is set out below:</p> <p>MSG Routeways to Employment (341) – of the 89% of beneficiaries that responded: Single 47%, Married 37%, Prefer not to say 13%, Cohabiting 3%, Civil Partnership 1%</p> <p>MSG Raising Attainment (210) – of the 37% of beneficiaries that responded: Single 100%</p> <p>MSG Community Languages (614) – of the 10% of beneficiaries that responded: Single 64%, Prefer not to say 36%</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p> <p>Within the Employment and Skills theme there are two projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• The Bromley by Bow Centre – Creative Communities</li> </ul> <p>Society Links Tower Hamlets – Job Club</p>
	Positive	Theme 5 – Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme and there is limited data relating to marriage/civil partnerships and community safety in Tower Hamlets</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding. In particular the Hestia Housing Support project will support victims of domestic violence which may be relevant to this protected characteristic.</p>

Pregnancy and Maternity	Adverse	Theme 1- Inclusion, Health & Wellbeing	<p>It's recognised that one of the most effective interventions for minimising health inequalities is ensuring that every child has a healthy start, with a focus on maternal health and the first 2 years.</p> <p>The infant mortality rate, in infants under 1 year old, in 2014-16 was 5 deaths per 1,000 live births. This was the highest of all London boroughs.</p> <p>4 per cent of mothers were smoking during pregnancy which is lower than the England average of 11 per cent, but this masks differences in levels between mothers of different ethnicities.</p> <ul style="list-style-type: none"> <li>• 4 per cent of mothers were smoking during pregnancy which is lower than the England average of 11 per cent, but this masks differences in levels between mothers of different ethnicities. (BEA 2017)</li> </ul> <p>In the LCF prospectus 'children under 5' include young toddlers and infant and can also cover pregnancy, so the bids may include projects beneficial to this protected characteristic but none of the recommended bids serve this group specifically.</p> <p>No projects have specifically addressed this protected characteristic in their bids. In MSG data, there were particularly high levels of pregnancy and maternity in the vulnerable and excluded project areas (34% described either pregnancy or maternity). The gap around under 5s has been discussed under Age above and needs addressing.</p> <p>From our analysis the proposed change could potentially have an adverse impact on particular groups. Through contract mobilisation we will identify how proposed bidders will ensure those gaps are addressed. Furthermore, through the transition support for the LCF programme we will support existing providers to refer clients to other providers and also provide capacity building support to them.</p>
	Positive	Theme 2- Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand</p> <p>There is limited information relating to this protected characteristic and digital</p>

			inclusion in Tower Hamlets however the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding.
	Positive	Theme 3- Advice and Information	<p>There is limited information available in relation to this protected characteristic and advice and information services in Tower Hamlets. In addition, the monitoring information for the MSG Programmes have reported the following about the MSG Programme service users - MSG Social Welfare Advice Services (5,860) – of the 23% of beneficiaries that responded: Prefer not to say 100%</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who share these protected characteristics. The impact of this service on this protected characteristic will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the Advice and Information theme, these are:</p> <ul style="list-style-type: none"> <li>• East End Citizens advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	Positive	Theme 4- Employment and Skills	<p>There is limited information relating to pregnancy/maternity and employment rates in Tower Hamlets. The monitoring information about beneficiaries of the MSG Projects is set out below:</p> <p>MSG Routeways to Employment (341) – of the 12% of beneficiaries that responded: Prefer not to say 95%, Pregnant 5%</p> <p>MSG Raising Attainment (210) – of the 4% of beneficiaries that responded: Prefer not to say 100%</p> <p>MSG Community Languages (614) – of the 10% of beneficiaries that responded:</p>

			<p>Prefer not to say 100%</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p> <p>Within the Employment and Skills theme there are two projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• The Bromley by Bow Centre – Creative Communities</li> <li>• Society Links Tower Hamlets – Job Club</li> </ul>
	Positive	Theme 5-Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme and there is limited around pregnancy/ maternity and community safety in Tower Hamlets is not available.</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p>
Other Socio-economic Carers	Adverse	Theme 1- Inclusion, Health & Wellbeing	<p>The 2011 Census identified 19,356 residents in the borough who provide unpaid care. Reflecting the significant increase in the borough's population the number of unpaid carers has increased by 15.7 per cent from 16,725 in 2001 to 19,356 in 2011. Stepney Green has the highest proportion of carers, 9.6 per cent of the population and Canary Wharf the lowest, 5.5 per cent.</p> <p>In terms of provision, 56.5 per cent of carers are providing 1 – 19 hours of care per week. Compared to the London and England average Tower Hamlets has a higher proportion of residents providing more than 50 hours (25.4 per cent).</p> <p>Almost 3 per cent of unpaid carers are aged 0 to 15. This is just above averages for the London (2.5 per cent) and England (2.1 per cent).</p>

			<p>Around 56 per cent of those providing care are women and 44 per cent men. This is slightly lower than the national and regional average. In London and England almost 58 per cent of carers are women. Around 66 per cent of those providing more than 50 hours per week are also women.</p> <ul style="list-style-type: none"> <li>• In 2011 7.6 per cent of Tower Hamlets residents provided unpaid care.</li> <li>• The 2011 Census identified 19,356 residents in the borough who provide unpaid care.</li> <li>• There are an estimated 23,000 unpaid carers in the borough, but only a small number are coming forward for help (local account)</li> </ul> <p>A stated priority of scheme 1A is to support young carers. An outcome of scheme 1B is to support carers of people living with dementia. Whilst there is provision in some bids (e.g. Forget me Not) to include adult carers, no bids were recommended in relation to young carers. Since this was a particular priority for the fund and appears to be an area where young people are less well provided for than adults, further work is needed to address this.</p> <p>There are a number of projects recommended within this theme which will support young people, older people, women, disabled residents to live healthy and happy life and thereby enabling them to improve their socio economic wellbeing.</p> <p>From our analysis the proposed change could potentially have an adverse impact on particular groups. Through contract mobilisation we will identify how proposed bidders will ensure those gaps are addressed. Furthermore, through the transition support for the LCF programme we will support existing providers to refer clients to other providers and also provide capacity building support to them.</p>
	Positive	Theme 2-Digital Inclusion	<p>Although Digital Inclusion was a cross-cutting theme in the MSG 2015-18 programme there was not a specific Theme / Strand.</p> <p>The Tower Hamlets Annual Residents Survey 2017 reveals that 92 per cent of residents surveyed had access to the internet. However levels varied for</p>

			<p>households from social grades DE (typically lower income households) had lower levels of internet access compared with 99 per cent of AB households. AB households were four times more likely than DE households to make contact using the council website (32 vs 7 per cent). AB households were also more likely to make contact by email (25 vs 11 per cent).</p> <p>In additional, housing tenure impacted access to the internet in the borough. Those living in social housing had lower levels of access to the internet than private renters or owners occupiers (84 vs 95-99 per cent). Those is social housing were less likely to use and prefer, online methods of contact compared with private renters and owner occupiers – just 1- per cent of social tenants contacting the council had done so via email compared with 24 and 26 per cent of private renters and owner occupiers.</p> <p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers in accessing digital platforms, information about online safety and ICT skills and digital careers in Tower Hamlets as outlined above and will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. In particular Scheme 2B will look to support activity that raises awareness of potential dangers online among children, young people, and their parents/carers and supports the implementation of suitable prevention measures. Recommended project, by Society Links Tower Hamlets – E-Safety Champions project will train local women to become champions for e-safety in the community. Weekly workshops will cover all areas of online safety and once trained, champions will go into schools and community groups to spread their knowledge to young people and parents/carers through presentations and workshops.</p>
	Positive	Theme 3- Advice and Information	<p>1,262 carers accessed support from adult social care in 2016/17. We know that carers reported a low quality of life as well as impacts on their health and finances</p> <p>This theme has outcomes that are intended to improve across a wide range of socio-economic areas including: improving financial stability; increasing awareness of housing, legal and benefits advice.</p>

			<p>The recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who share these protected characteristics. The impact of this service on this protected characteristic will continue to be monitored as part of the ongoing assessment of LCF projects during the lifetime of the funding. There are two recommended projects under the advice and information theme which will provide free, confidential, independent and quality assured advice services to Tower Hamlets residents to resolve any problems they may face around a range of topic including welfare benefits, housing and money/debt etc. These are –</p> <ul style="list-style-type: none"> <li>• East End Citizens Advice Bureaux – Advice Tower Hamlets – Includes consortium of 13 organisations</li> <li>• Island Advice Centre – Tower Hamlets Advice Training and Capacity Building Project</li> </ul>
	Positive	Theme 4- Employment & Skills	<p>There is limited information relating to other socio-economic carers and employment rates in Tower Hamlets.</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding. Within the Employment and Skills theme there are projects specifically targeting disadvantaged groups who face additional barriers to employment in Tower Hamlets. These are:</p> <ul style="list-style-type: none"> <li>• Stifford Centre Limited – BME Women Employment Support Programme</li> <li>• St Giles Trust – Choices Tower hamlets</li> <li>• Bromley by Bow Centres – Creative Communities</li> <li>• Four Corners Ltd – ZOOM Film School</li> <li>• Working well Trust – Opening Doors</li> </ul> <p>This project will focus on carers and single parents with limited English language, confidence and secondary education for community learning.</p>

	Positive	Theme 5-Community Safety	<p>Community Safety was not a Theme in the MSG 2015-18 programme and there is limited information relating to socio-economic carers and employment in Tower Hamlets.</p> <p>However, the recommended LCF projects will provide a comprehensive borough wide service that will benefit residents who face barriers to employment in Tower Hamlets and this protected characteristic will continue to be monitored through ongoing assessment of LCF projects during the lifetime of the funding</p>
--	----------	--------------------------	--

### Action Plan – All themes to mitigate impact

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
Manage change in service provision	Support transition from MSG to LCF	<ul style="list-style-type: none"> <li>a. Give as much notice as possible when decisions are made to give organisations the opportunity to adjust to their new funding levels;(Aug/Sept 2019)</li> <li>b. Work with organisations to seek alternative provision for service users where a service is significantly reduced or comes to an end; (Aug-Oct 19)</li> <li>c. Work with funded organisations especially at contract mobilisation to target and promote new services funded under LCF programme; (Aug-Nov 19)</li> </ul>	David Freeman	

		<ul style="list-style-type: none"> <li>d. Support a programme of capacity building to increase organisations' chance of bidding successfully, provided by THCVS, the Council and other providers; (Aug 19- Mar 20)</li> <li>e. Make available, through THCVS and other partners as appropriate, a programme of support available in advance of the end of MSG to help VCS organisations in the transition from MSG to either alternative funding or an orderly change in the level of service; (Aug – Dec 19)</li> <li>f. Continue the VCS Small Grants programme and link to other funders to provide funding opportunities for organisations to meet new and emerging needs and develop new ways of tackling existing needs (ongoing)</li> <li>g. Promote and support Tower Hamlets Spacehive programme to help organisations to access crowdfunding; (ongoing)</li> <li>h. Retain the Emergency Fund to help organisations meet the costs of transition, particularly those directly linked to lower levels of revenue funding; (Aug</li> </ul>		
--	--	--	--	--

		19- Mar 21) i. Develop and launch a new Tower Hamlets funders forum to help identify and promote local funding sources; (Apr 20)		
Support organisations facing significant change and possible cessation of service	Provide transitional support where appropriate for services currently funded through MSG until funding is available from the new Small Grants programme themes identified above for alternative services where a significant equality impact is identified	Transitional arrangements in place (Oct 19)	David Freeman	
Manage transition of community language services	Transitional arrangements	Transitional arrangements in place (Oct 19)  Future strategy emerges from Community Languages review	David Freeman	
Maintain participation and access for BME communities	Address through small grants	Ensure contained within programme (Oct 19) Refer to grants timeline	David Freeman	
Provision for young people's mental health	Commission	Define service (Oct 19) Procure service (Jan 20) Delivery (Apr 20)	David Freeman	
Provision for early years age children or pregnant and new mothers	Commission	Define service (Oct 19) Procure service (Jan 20) Delivery (Apr 20)	David Freeman	
Provision for young carers priority	Extend other provision or identify a potential new provider	Define service (Oct 19) Procure service (Jan 20) Delivery (Apr 20)	David Freeman	
Need to support community led older peoples services, particularly those led by BME communities	Transitional arrangements to ensure adequate support	Transitional arrangements in place (Oct 19) Link to small grants established (Oct 19)	David Freeman	

		Set future strategy as a result of findings of Day care review (tba)		
Need to ensure Geographical Spread	Ensure successful bidders provide a borough wide service in the areas of highest need through regular assessment and development work with projects	Contract mobilisation (Oct 19) Contract monitoring (Ongoing) Reviewing performance after 1 year (Dec 20)	Robert Mee	

This page is intentionally left blank

## Local Community Fund Themes, Schemes and Priorities

Theme	Scheme	Priority
Inclusion, Health and Wellbeing	Scheme 1A – Children, Young People and Families	Increase access to Youth Services
		Provision of Early Help support to families
		Support for young carers
	Scheme 1B – Older People	Ageing well and reducing social isolation
		Provision of physical and health-promotion activities for older people
	Scheme 1C – Access, information and self-management	Residents better informed/equipped to manage health conditions
	Scheme 1D - Healthy living and healthy choices	Residents better informed to make healthier choices
		Increased engagement in physical activity
Scheme 1E – Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues	Improved health outcomes for disabled people	
	People suffering with mental health issues are better supported	
Digital Inclusion and Awareness	Scheme 2A – ICT skills and digital careers	Access to ICT support and training for older people
		Digital skill development for children and young people
	Scheme 2B – Online Safety	Children/ young people safety online
Scheme 2C - Improving health and wellbeing facilitated through digital platforms	Improving health and wellbeing facilitated through digital platforms (Increase in self-management/self-reliance/ confidence/ health literacy)	
Advice and Information	Scheme No 3A - Advice and Information	Provision of Social Welfare Advice
Employment and skills	Scheme 4A - Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work	Promoting ethical employer practices to focus on improving employment and progression opportunities for disadvantaged people, with an emphasis for employers on improving business productivity (includes employment and in-work support for disabled people and people suffering with mental health issues)
		Reducing barriers to employment for disadvantaged groups
	Scheme 4B - Reducing barriers to employment for disadvantaged groups	Employment and volunteering opportunities for older people
		Employment skills for vulnerable young people who are NEET
		Employment and skills for young people at risk of achieving poor outcomes
Scheme 4C - Support focused on increasing access to art and cultural industries	Support focused on increasing access to art and cultural industries	
Community safety	Scheme 5A – Reduction in the exploitation of children, young people and other vulnerable groups	Reduction in the exploitation of children and young people, and vulnerable groups
	Scheme 5B – Improving the perception of young people in the community	Improving the perception of young people in the community
	Scheme 5C – Services for people affected by domestic violence or other unsafe circumstances	Services for people affected by domestic violence

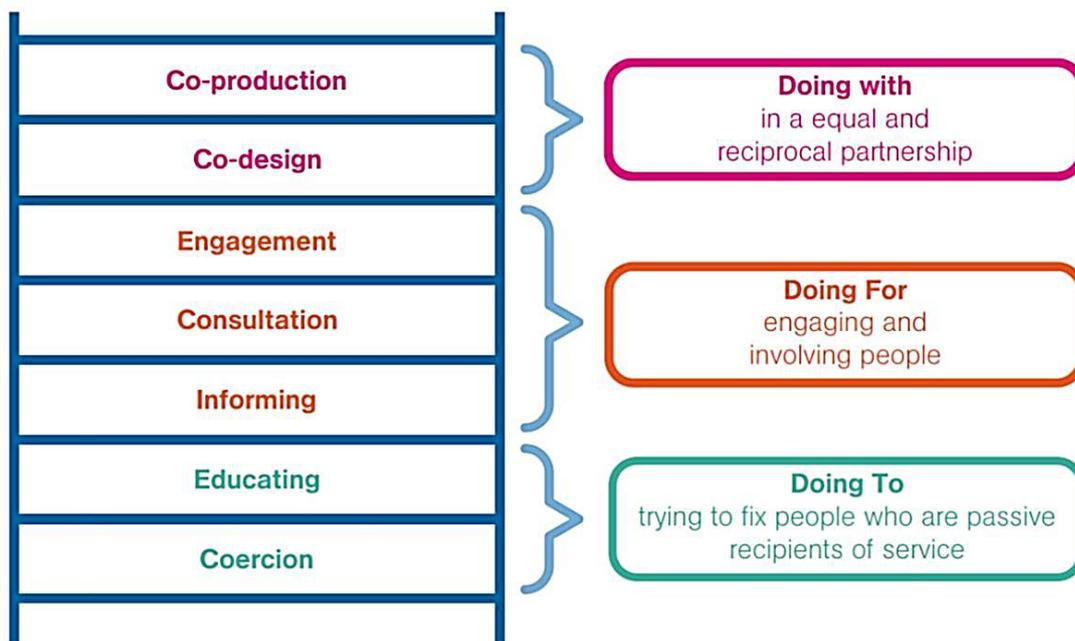
This page is intentionally left blank

## Co-Production and Consultation

### Developing the Programme

A range of local stakeholders, including staff, trustees, volunteers and service users of voluntary and community sector organisations, council and NHS colleagues and local residents were invited to take part in a programme of co-design for the new Local Community Fund, starting in January 2018.

As outlined in the council’s coproduction framework, co-design involves working with stakeholders to develop ideas together.



Whilst it wouldn’t be accurate to say that the programme was co-designed, we have utilised co-design principles throughout the development phase. The main stages of this work are summarised below:

#### Phase 1 – Framework and Priorities, Spring 2018

The priorities and overarching framework for what was then the ‘Community Commissioning’ programme were developed in a series of events co-facilitated by Carney Green and the New Economics Foundation. In addition to a number of internal workshops, 6 public events were held:

- Community Commissioning: Shaping the Framework. Two workshops looking at priorities, needs and target groups, attended by 77 voluntary sector contacts and 20+ council staff
- Community Commissioning 'You said, we did' workshop to assess the emerging priorities - 44 attendees
- Presentation of headline outcomes, 12<sup>th</sup> March - 50 attendees
- Theory of Change 27<sup>th</sup> March - 49 attendees
- Theory of Change, 16 April - 52 attendees

This phase had 272 total attendances, many of which were organisations attending multiple sessions.

## **Phase 2 – Outcomes Development, Winter 2018/19**

One of the clear messages from the first phase of co-design was that many voluntary and community sector organisations were uncomfortable with the shift from grants to commissioning and concerned that the tendering process would be difficult for smaller organisations to navigate successfully. Concern was also expressed that external organisations with limited knowledge or networks in Tower Hamlets might be more likely to bid at the expense of community-led provision.

Following these discussions, development of Community Commissioning was paused and the Mainstream Grant programme extended to allow more time to develop the new programme. At the end of 2018 the council re-started work on the new Local Community Fund, running six thematic workshops to develop some headline outcomes.

### **Outcomes workshops:**

- Inclusion Health and Wellbeing, 23<sup>rd</sup> November and 10<sup>th</sup> December – 72 attendees
- Digital Inclusion, 14<sup>th</sup> November -17 attendees
- Advice, 26<sup>th</sup> November – 40 attendees
- Employment and Skills, 30<sup>th</sup> November – 40 attendees
- Community Safety, 12<sup>th</sup> December – 15 attendees
- Drop in, 18<sup>th</sup> December – 8 attendees

Each workshop started with the priorities agreed by Cabinet after phase 1 and asked participants to come up with more detailed sub-outcomes and ideas for potential activities. Participants were also asked for questions and comments about the themes and schemes as a whole and about the LCF process, all of which helped to inform the development of the programme.

All of the workshops led to changes that helped to broaden and clarify the final LCF specifications. In some there was broad agreement with the overarching priorities and principles but the group wanted to clarify the language and add more detail. For example, in the two workshops for the Inclusion Health and Wellbeing theme, the groups wanted to reframe the negatively focussed outcome of *'fewer older people feel lonely, less often'* so turned it into *'older people have more opportunities to socialise and interact with others'*. Further comments in these workshops stressed importance of intergenerational work, further refining the outcomes to the final published version of outcome 3 under Scheme B: *'Older people feel more included and integrated in their communities and are able to mix with people of different ages and from different backgrounds to increase the sharing of skills, experience and knowledge both amongst older people, and between different generations'*

The Digital Inclusion theme changed to acknowledge the concerns and needs of different populations in Tower Hamlets. Discussions started out with separate high level priorities covering access to ICT support and training for older people, children and young people's safety online and digital skills development for children and young people, but the group questioned the way these headline outcomes were each focussed on particular age groups. Participants pointed out that young people learn about ICT, including coding, in school, whereas working age adults, particularly those with limited English and those who are disabled and/or older, might not have had access to the same learning and are at risk of being digitally excluded. Similarly, the group agreed that online safety is not just a concern for children and young people, and may be part of the reason that older people are reticent to go online or participate in ICT training.

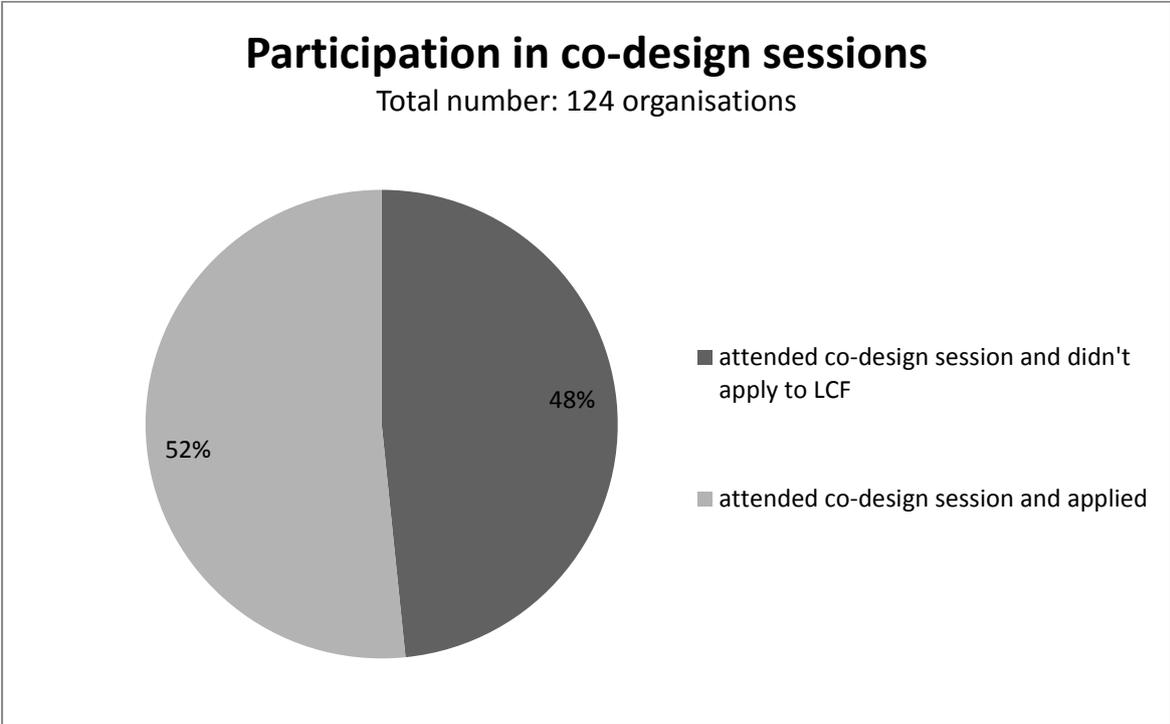
The revised versions of these schemes therefore became 2B, Online Safety, with the outcomes focused on residents as a whole, older people, and younger people and their families, and 1B, ICT Skills and Digital Careers, with outcomes focussed on 'working age residents' and 'residents with limited digital/ICT skills, particularly older residents, disabled residents, those with English as a second language or other barriers to digital inclusion.'

Following the redrafting and circulation of the updated outcomes, the council then ran a summary workshop to re-look at the draft schemes outcomes a final time. The programme concluded with a prospectus workshop, where colleagues from the voluntary sector gave input on the assessment criteria for the LCF and the weighting applied to the different sections of the application process.

- Outcomes Workshop, 21<sup>st</sup> Jan - 48
- Prospectus workshop, 6<sup>th</sup> February – 80

124 organisations came to these events a total of 320 times between them, with a number of groups attending a range of sessions to help develop meaningful outcomes for the programme.

One concern raised in the development of the co-design programme was that organisations might only attend the sessions if they intended to apply for the funding, limiting the range of ideas and suggestions and potentially steering the discussion to suit the interests of those present, rather than what might be needed by the wider borough. Analysis of attendance shows that this wasn't the case, however; nearly half of the co-design participants did not apply to the Local Community Fund; the inference being that a large proportion of attendees helped to shape the programme without intending to receive funding from it

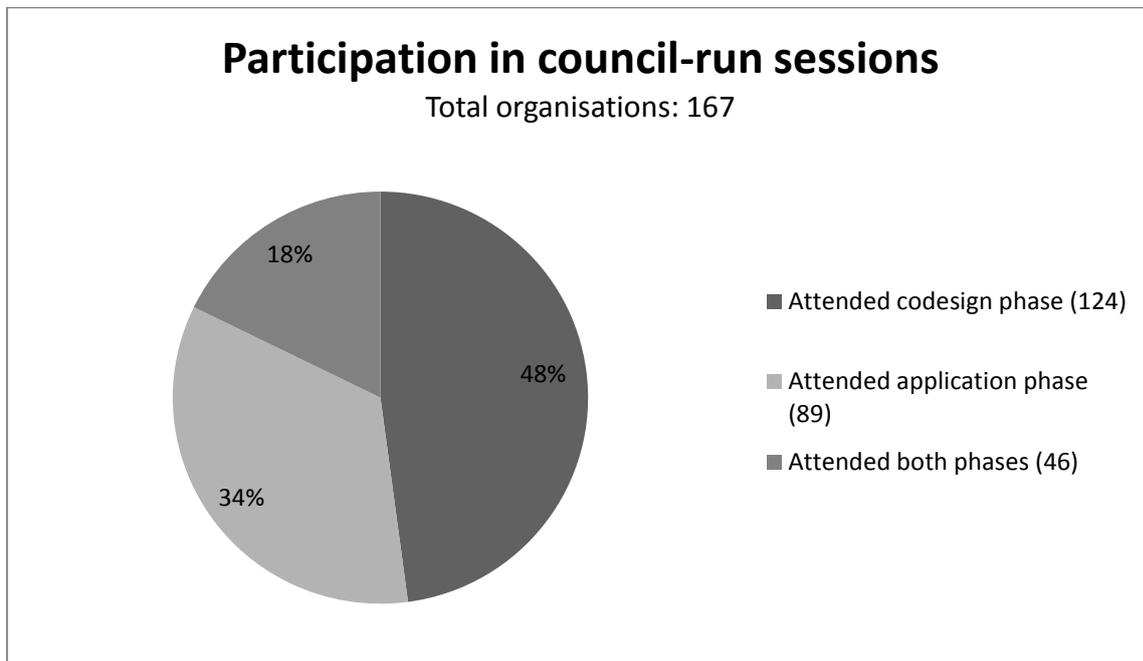


## Training and Support

After the Local Community Fund had opened for applications, two parallel programmes were run by the council and THCVS. The council ran a series of application workshops explaining how to access the online application portal and taking potential applicants through the organisational and project forms. These sessions were all run at the PDC in Bethnal Green and took place in the first half of the 8 week application process:

- 3<sup>rd</sup> April – 38 attendees
- 9<sup>th</sup> April – 20 attendees
- 13<sup>th</sup> April (Sat) – 11 attendees
- 18<sup>th</sup> April – 27 - attendees
- 25<sup>th</sup> April (evening) – 16 attendees

The application workshops saw 112 attendances overall from at least 89 individual organisations, bringing the total number of organisations attending council-run LCF training and support sessions, including the briefing sessions prior to the launch of the programme, to 167

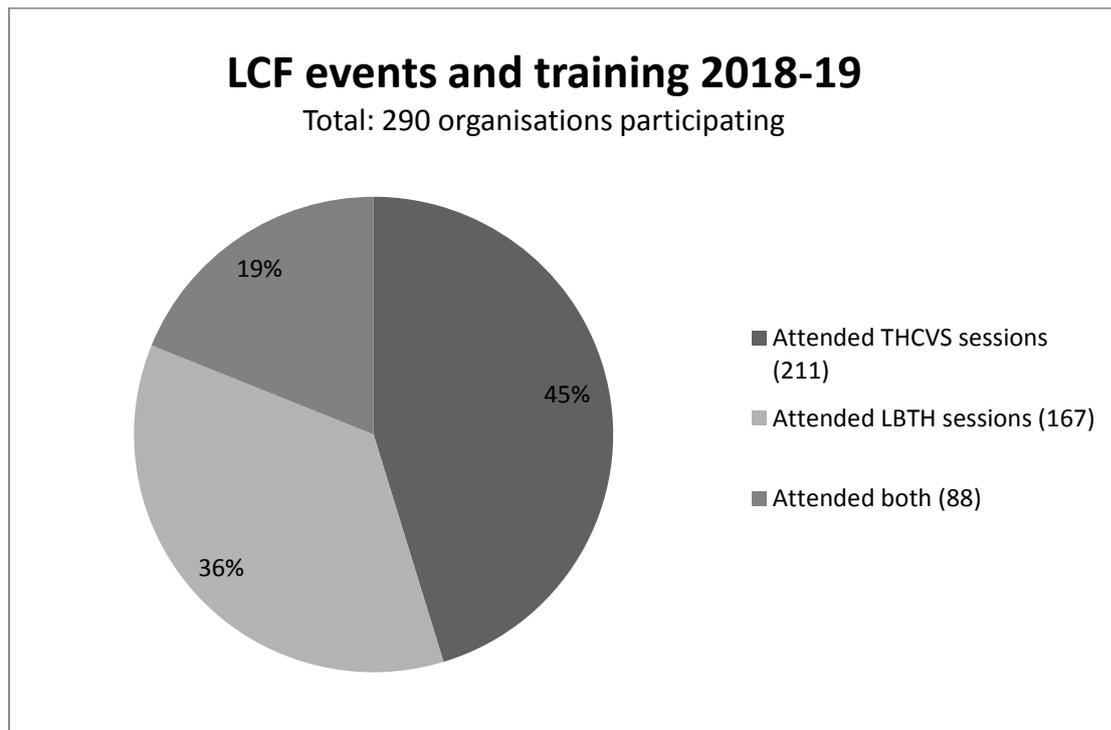


THCVS also ran a programme of events, training and one to one support for organisations applying to the Local Community Fund. They sent weekly LCF bulletins to their mailing list during the LCF bidding process and provided useful resources including a template business plan and a word version of online application form. THCVS sessions focussed on the Local Community Fund and offered options for those deciding not to apply, particularly those currently in receipt of Mainstream Grant. Key events were:

- Digital Inclusion Networking Event, 23<sup>rd</sup> January – 32 attendees
- Employment and Skills Networking Event, 13<sup>th</sup> February – 41 attendees
- Training Employment and Enterprise Forum, 14<sup>th</sup> March – 11 attendees
- Health and Wellbeing Forum, 20<sup>th</sup> March - 25 attendees
- Meet the Funders event, 26<sup>th</sup> March – 167 attendees
- Partnerships Speed Dating: Health and Wellbeing, 10<sup>th</sup> April – 28 attendees
- Bid Writing Top Tips, 11<sup>th</sup> April – 21 attendees
- Speed dating: Digital, 24<sup>th</sup> April – 22 attendees
- Finance and Budgeting for LCF, 25<sup>th</sup> April – 19 attendees
- Bid Writing workshop, 29<sup>th</sup> April – 32 attendees
- Co-production training, 2<sup>nd</sup> May – 34 attendees
- Bid Writing for LCF, 8<sup>th</sup> May – 14 attendees
- Finance and Budgeting for LCF, 9<sup>th</sup> May – 15 attendees

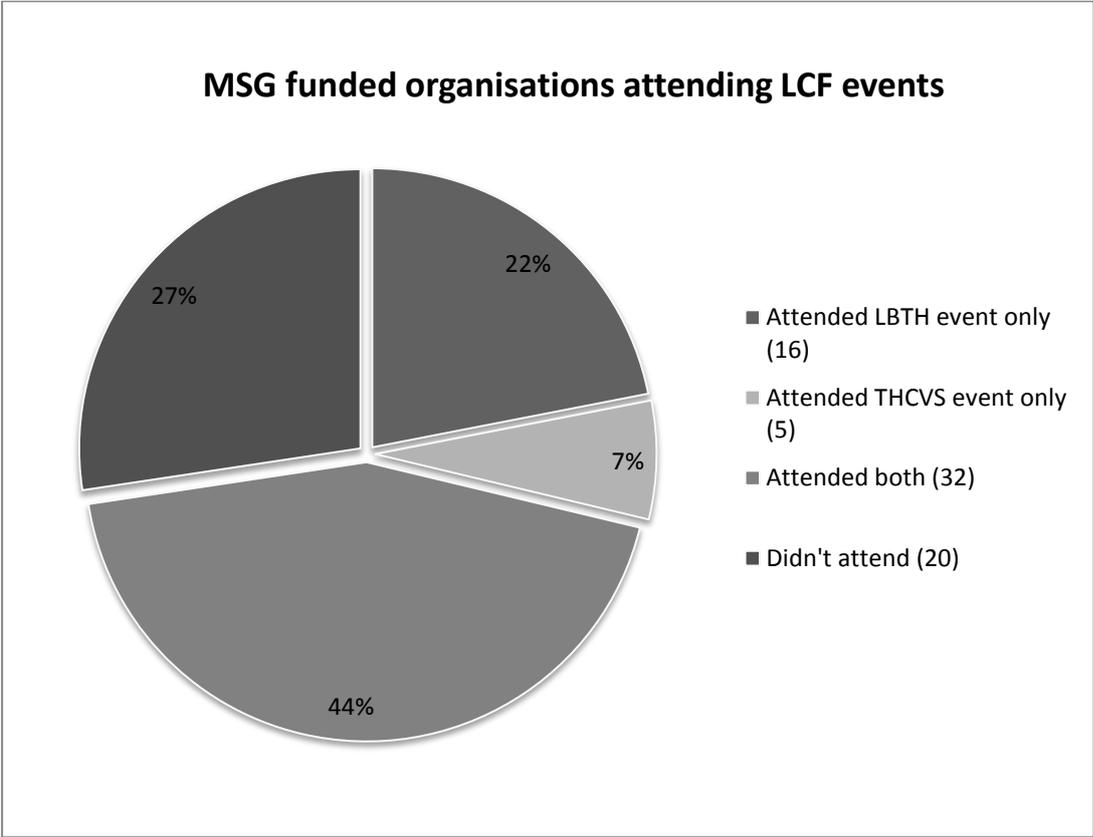
THCVS also provided one to one support by phone, over email and in person, working with individuals and small groups of applicants to help them develop their bids. They undertook outreach to current holders of council MSG funding, targeting the smaller groups and offering support to apply. Their bid checkers reviewed and gave feedback on a total of 26 bids from 21 organisations.

Over the course of phases 2 and 3 the LCF training programme reached 291 organisations:



**Currently funded organisations accessing support**

In terms of support for currently funded groups whose funding will be coming to an end in September 2019, of the 71 organisations listed as main grant holders under the MSG programme just under three quarters at least one event by either THCVS, the council, or both.

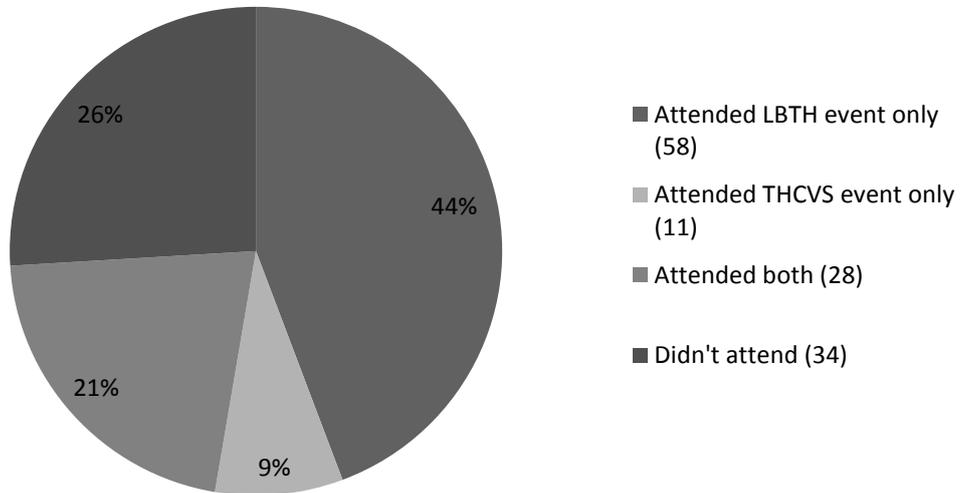


These headline figures only represent the main grant holders rather than partners in MSG funded projects, and only cover the main programme of public events. In addition, THCVS reports 77 instances of MSG funded organisations attending one to one sessions, phone advice, email support, bid checking and business planning support.

**Applicant organisations accessing support**

When the list of organisations accessing events and training is mapped against the list of organisations that submitted LCF applications received, it is clear that nearly three quarters of applicants came to application events.

## LCF applicants attending training and events



## Local Community Fund Assessment Criteria

### General

The assessment criteria are split into two sections, organisational criteria which relate to your organisation, its governance and management, and project criteria which relate to the activities you are seeking funding for.

The document 'Assessment Criteria' sets out the funding criteria, summarises the evidence we are looking for, states whether the assessment will be based on documents you submit or specific questions on the Local Community Fund forms, and shows what percentage of the score for each section is allocated to each of the criteria.

The organisational criteria are assessed first. If you do not score at least 50% and pass the essential pass/fail questions, none of your projects will go forward to the next stage of assessment.

### Organisational Criteria

All bids must meet the basic organisational criteria set out below at a level which is appropriate to their size. We do not expect small organisations to have sophisticated documentation or processes. However, you will need to be able to show that you have thought about all of the criteria and have something in place which is reasonable for your size and income.

For the purposes of the organisational criteria we are defining size by annual income (by which we normally mean as set out in your last approved accounts), as follows:

- Large           over £250,000
- Medium        over £25,000 up to and including £250,000
- Small           up to and including £25,000

New organisations should use their anticipated annual income, including the total LCF applied for.

Some organisational criteria are scored '**Pass/Fail**'. Those in bold are essential and your bid will not go forward if the assessment is 'Fail' on 'Governance', 'Financial Management' or 'Equalities'.

Some organisational criteria are scored with the maximum number of available marks indicated in the 'Max Score' column. The total is 90 overall. Your assessment

needs to score more than 45/90 for your bids to go forward to the second stage to assessment.

If you fail in the organisational criteria assessment on 'Managing People', 'Safeguarding' or 'Insurance' your bid may still be assessed. However, if your organisation is offered funding it will have to reach the pass standard on all three before any funding contracts can be signed.

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
How you are governed and led	You must have a constitution or other governing document to demonstrate that your organisation is properly established and not for profit.	Submit document	Constitution or other governing document with details of, <ol style="list-style-type: none"> <li>1. Membership,</li> <li>2. Committee structure</li> <li>3. Not for profit</li> <li>4. Dissolution clause</li> </ol>	<b>Pass/ Fail</b>
	You will also need to be able to show that: <ol style="list-style-type: none"> <li>1. You have a committee which meets regularly;</li> <li>2. When you had your last annual general meeting, and</li> <li>3. If you are a larger organisation, whether you have sub committees to deal with particular areas such as finance or personnel.</li> </ol>	Questions	Regular management committee meetings  List of management committee/Board members (this may be included in annual report and/or accounts)  AGM date within past two years  Sub Committees (large only)	
Business planning	Do you have a business plan or strategic plan for your organisation or can you show that you can develop a plan if asked?  It does not need to be very sophisticated if you are a small organisation, but enough to show you have thought about and planned how you will provide your services.	Submit documents	<b>MET (40)</b>  Large organisation – full three to five year plan which includes: <ul style="list-style-type: none"> <li>• Organisational purpose, aims &amp; objectives;</li> <li>• Client need;</li> <li>• Strategic context, i.e policy environment, issues affecting clients, how needs may change over time (could be PEST</li> </ul>	40

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
			<p>analysis)</p> <ul style="list-style-type: none"> <li>• Assessment of organisational capacity (i. SWOT analysis)</li> <li>• Plans for next 3-5 years (yr 1 in detail)</li> <li>• Resources required to fulfil plans</li> <li>• Risk assessment and contingency planning</li> </ul> <p>Medium or small organisation – a document which demonstrates the organisation has considered the seven key issues in detail. Level of detail will be proportionate to the size of the organisation.</p> <p><b>PART (20)</b></p> <p>Large organisations – Business plan which covers</p> <ul style="list-style-type: none"> <li>a) some but not all of the key issues, or</li> <li>b) all the issues but not in detail</li> </ul> <p>Medium and small organisations – Document which demonstrates the organisation has considered</p> <ul style="list-style-type: none"> <li>a) some but not all of the key issues, or</li> <li>b) all the issues but not in detail</li> </ul> <p><b>FAIL (0)</b></p> <p>Large Organisations – no business plan or business plan which does not cover any or</p>	

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
			<p>only one of the key issues.</p> <p>Medium and small organisations – no indication that the organisation has considered any or only one of the key issues.</p>	
<p>Managing the organisation</p>	<p>You must be able to show that you have processes in place to deliver services effectively and that your organisation's resources are managed efficiently.</p>	<p>Questions and submit documents</p>	<p><b>MET (40)</b></p> <p>'Yes' to</p> <ol style="list-style-type: none"> <li>1. written procedures proportionate to the size of the organisation, and</li> </ol> <p>either</p> <ol style="list-style-type: none"> <li>2. recognised quality mark, or</li> <li>3. clear description of how organisation manages quality</li> </ol> <p><b>PART (20)</b></p> <p>'Yes' to one of the three questions</p> <p><b>FAIL (0)</b></p> <p>'No' to all</p> <p><b>NB</b> Quality marks should be relevant to the service. National quality marks from umbrella bodies are acceptable if national body is recognised regulatory body, eg. Advice Services Alliance, Sport England, NCVO</p> <p>Policies and procedures should comply with current legislation and should be dated and regularly reviewed</p> <p>Essential policies and procedures are set out in the</p>	<p>40</p>

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
			funding agreement and must be in place before the agreement is signed.	
Managing people	<p>If you employ staff, your management must include:</p> <ol style="list-style-type: none"> <li>1. An effective and fair way of recruiting staff using a job description and person specification;</li> <li>2. Written contracts of employment, which meet legal requirements;</li> <li>3. Clear written discipline and grievance procedures in line with ACAS codes of practice; and</li> <li>4. Adequate training for the duties they have to perform.</li> </ol> <p>If you work with volunteers, your management should include:</p> <ol style="list-style-type: none"> <li>1. A recruitment process to ensure volunteers are appropriately placed;</li> <li>2. A clear description of volunteers' roles, and</li> <li>3. Adequate training for the duties they have to perform.</li> <li>4. Clear procedures for reimbursing volunteer expenses</li> </ol>	Questions and submit documents	<p><b>MET</b> All YES</p> <p><b>FAIL</b> Any NO</p>	Pass/ Fail
Financial management and viability	<ol style="list-style-type: none"> <li>1. You must keep to all financial and accounting requirements of charity and company law, if appropriate.</li> <li>2. You must follow good practice in relation to the business' financial controls.</li> <li>3. You must be able to provide accounts appropriate to the size of your organisation.</li> </ol>	Questions  Submit document	<p><b>MET</b></p> <ol style="list-style-type: none"> <li>1. Accounts meet charity commission or other regulator's standards</li> <li>2. Yes to 50%+ questions on 'Finances'</li> <li>3. Balanced income and expenditure budget for the organisation</li> <li>4. Latest annual accounts show that the organisation does not have</li> </ol>	Pass/ Fail

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
			<p>creditors/debts which appear unserviceable over the coming year(s) given their average income of unrestricted or designated funds.</p> <p>5. The organisation is able to demonstrate income from a diversity of funding sources</p> <p>6. The organisation has a clear reserves policy which is appropriate for its size.</p> <p><b>NB</b></p> <p>New organisations will not have accounts. Assessment should therefore exclude reference to accounts but include all other points.</p>	
<p>Equality and Diversity</p>	<p>You must have an equal opportunities or equalities and diversity policy and be able to show that you actively use it.</p> <ul style="list-style-type: none"> <li>• In recruitment (to board and team)</li> <li>• In planning and provision of services</li> <li>• In the management of your organisation</li> </ul>	<p>Submit document</p>	<p>All organisations must have an equal opportunities or equalities and diversity statement or policy in place which addresses at least two of the three criteria.</p> <p>Adequacy of policy will be assessed at contract mobilisation stage if bid is successful and funding will only be paid when adequate policy is in place or agreed action plan to revise policy.</p>	<p><b>Pass/ Fail</b></p>
<p>Safeguarding children and adults at risk of abuse</p>	<p>Do you have policies on protecting children and adults at risk of abuse which are appropriate to the service? Are your staff and volunteers appropriately trained?</p>	<p>Submit document</p>	<p>All organisations must have safeguarding policies and procedures in place appropriate to their activities.</p> <p>Adequacy of policies and procedures will be assessed at contract mobilisation stage if bids successful and funding will only be paid when</p>	<p>Pass/ Fail</p>

Criteria	Evidence	Assessed by	Scoring guidance	Max Score
			adequate policies in place.	
Insurance	<p>You must be able to show that your organisation has enough insurance cover for your activities, events, staff, premises, equipment and vehicles, including:</p> <ol style="list-style-type: none"> <li>1. Public liability (£5m);</li> <li>2. Employer's liability cover if you employ staff (£10m);</li> <li>3. Property and equipment insurance against fire, theft, loss and damage;</li> <li>4. Vehicle and driver insurance if vehicles are owned or driven; and</li> <li>5. Professional indemnity if you give advice to members of the public.</li> </ol>	Submit document	<p>Documents should be current and for appropriate amounts.</p> <p>Not all insurance will be required for all activities.</p> <p>New organisations will not have insurance in place but must demonstrate that they have adequate cover in mobilisation phase.</p>	Pass/ Fail
Other resources	Will our support help you to get other resources such as volunteers or funding from other sources?	Question	<p><b>MET (10)</b></p> <p>YES plus evidence of other funding/resources from accounts/annual report</p> <p><b>PART (5)</b></p> <p>YES with little evidence</p> <p><b>FAIL (0)</b></p> <p>NO</p>	10

## Project Criteria

This section sets out the criteria we will use to assess your project proposals. We will assess your project proposals proportionate to the size of your organisation. If you are a small organisation, you will not have to provide as much evidence as larger organisations, but you must be able to show that you understand, and are working towards meeting, each of the criteria.

The council will not consider funding any project which scores less than half the available score in any section.

Scoring is on a sliding scale from 'excellent' to 'fail' graduated from five to zero. The scores will then be 'weighted' according to the maximum score for the section. For example, the 'five to zero' score for 'Outcomes' would be weighted x3 to achieve a score out of a maximum of 15 for the section.

Some funding schemes have specific requirements such as advice quality standards, registration with a regulatory body and food hygiene standards. Evidence of these must be submitted with project forms. The council will not fund activities which require these if organisations do not provide evidence.

Criteria	Evidence	Assessed	Scoring Guidance	Max Score
Ability to deliver	<p>Your bid must show that the arrangements you are proposing can deliver the service effectively. You will need to provide:</p> <ul style="list-style-type: none"> <li>• A description of the project, including: <ul style="list-style-type: none"> <li>○ What the activities/services are;</li> <li>○ Plans for delivery – where, how, how frequently, numbers of beneficiaries (these may be used to set your key performance indicators (KPIs) if your bid is successful);</li> <li>○ How you will reach your target beneficiaries;</li> <li>○ Geographic area targeted;</li> </ul> </li> <li>• Details of any partnership arrangements. These may be</li> </ul>	Question	<p>Project description (10 points max)</p> <ul style="list-style-type: none"> <li>• Clear description of activities</li> <li>• Geographical area and rationale</li> <li>• Target residents and rationale</li> <li>• Delivery plan clarifying when, where and how activities/services will be provided</li> <li>• Clear proposals for KPIs that the project will deliver (may be set out in outcomes section)</li> </ul> <p>Partnership arrangements (5</p>	25

Criteria	Evidence	Assessed	Scoring Guidance	Max Score
	<p>informal links to other services or more formal consortium arrangements;</p> <ul style="list-style-type: none"> <li>• Details of why you think your project is needed such as local research and user feedback</li> <li>• Details of how your proposal will help achieve the service priority set out in the prospectus</li> <li>• Evidence that appropriate standards, check and training will be in place (e.g food hygiene, DBS checks)</li> </ul>		<p>points max)</p> <ul style="list-style-type: none"> <li>• If there is a formal partnership or consortium, a clear outline of who will deliver the project (including details of partnership working if appropriate)</li> <li>• Evidence of informal partnership links</li> <li>• Added value of partnership arrangements articulated</li> </ul> <p>NB Theme 3 – Advice and Information will be scored up to 10 in this section as set out in Scheme 3a, making the maximum score for this scheme 105.</p> <p>Demonstration of need (5 points max)</p> <ul style="list-style-type: none"> <li>• Local research/user feedback</li> <li>• Local published data (Census, JSNA etc)</li> <li>• National data</li> </ul> <p>Link to LCF priority (5 points max)</p> <ul style="list-style-type: none"> <li>• Clear link between activity and priority</li> </ul>	
Track record	You must be able to show that your organisation has a track record of delivering service effectively in the type of service you want us to fund. If your organisation is new, you must be able to show that the individuals involved in it have a successful track record in other	Question	<p>Experience (with examples as evidence) should include:</p> <ul style="list-style-type: none"> <li>• Delivering projects similar to proposal <ul style="list-style-type: none"> <li>○ Activity</li> <li>○ Complexity</li> <li>○ Size, and</li> </ul> </li> </ul>	5

Criteria	Evidence	Assessed	Scoring Guidance	Max Score
	organisations		<ul style="list-style-type: none"> <li>○ Value</li> <li>● Meeting monitoring and reporting requirements</li> <li>● Achievement of outcomes or evidence of impact of previous work</li> </ul>	
Service Co-design	<p>How will your proposal include further co-design with residents? We expect organisations to work with residents and other stakeholders towards improving the service over the period of funding. This may include revising the outcomes to be achieved and changing the way the service is delivered.</p> <p>You will need to describe how you will engage with residents and other stakeholders to co-design improvements to your service. (See additional guidance)</p>	Question	<p>Plan should include a process for meaningful engagement of residents and other stakeholders in service improvement through:</p> <ul style="list-style-type: none"> <li>● User involvement including feedback, focus groups etc</li> <li>● Working with non-users and partners</li> <li>● Needs and trends analysis</li> </ul> <p>which make reference to basic principles of co-design:</p> <ul style="list-style-type: none"> <li>● Inclusion</li> <li>● Respect</li> <li>● Participation</li> <li>● Outcomes focus</li> </ul>	10
Quality assurance	You must show that you have achieved a recognised quality assurance standard or some other evidence which shows your organisation actively tries to improve quality.	Question	<p>Appropriate QA accreditation must be in place for 'excellent' score with evidence of action to maintain standards.</p> <p>If no QA accreditation in place, must show evidence of working towards QA and/or evidence that a quality standard framework or appropriate processes are in place.</p>	10
Equalities and Diversity	You will need to be able to show how your service promotes equalities and how it affects people who have protected equalities characteristics.	Question	<p>Evidence of consultation with people with protected equalities characteristics</p> <p>Proposals to minimise barriers</p>	5

Criteria	Evidence	Assessed	Scoring Guidance	Max Score
	If your project is specifically targeting people with one or more protected equalities characteristics, you should explain why there is a particular need to do this.		to potential users of services.  Proposals to monitor equalities impact  If appropriate, sufficient information to justify or explain why the project will be targeting specific groups/sections of the local community	
Community cohesion and reducing poverty	How will your project contribute towards community cohesion and reducing poverty?  You will need to show how your proposed service will help people from different backgrounds get on well together in the local area and meet some or all of the <a href="#">borough's community cohesion outcomes</a>	Question	At least one outcome which links to the borough's community cohesion outcomes  Clear evidence that proposal will help reduce poverty in target groups	5
Value for money	How do you know that the service you are proposing offers good value for money? Have you compared it with other, similar services? Does your service bring something extra which other services would not be able to provide?	Question	<ul style="list-style-type: none"> <li>• Realistic costs <ul style="list-style-type: none"> <li>○ Adequate funding for proposed activity</li> <li>○ All project staff paid at least London Living Wage</li> <li>○ Cost comparisons</li> </ul> </li> <li>• Clear explanation of the basis on which costs have been assessed</li> <li>• Leverage of other resources such as volunteers and in kind support</li> </ul>	10
Local value	How will your proposal demonstrate local value? You will need to demonstrate your ability to reach residents and communities in Tower Hamlets and that you have:  a) Good knowledge of the neighbourhoods, needs and	Question	Evidence of local knowledge through: <ul style="list-style-type: none"> <li>• Local presence</li> <li>• Track record of local delivery</li> <li>• Impact locally (outcomes of previous</li> </ul>	15

Criteria	Evidence	Assessed	Scoring Guidance	Max Score
	<p>services where you work (or are planning to work);</p> <p>b) Working links and connections with other organisations (from all sectors);</p> <p>c) Plans to utilise and deepen your local connections over the course of an LCF project, and</p> <p>d) Current or potential partnership arrangements.</p>		<p>work)</p> <ul style="list-style-type: none"> <li>• User feedback</li> <li>• Local research of needs</li> </ul> <p>Evidence of local connection through:</p> <ul style="list-style-type: none"> <li>• Partnerships with local organisations (VCS or public)</li> <li>• Engagement with local structures such as appropriate forum or network membership</li> <li>• Links with other providers such as referrals or joint activity</li> </ul>	
Outcomes	There must be evidence in your bid that you will be able to demonstrate change using outcomes and indicators which are SMART – specific, measurable, achievable, realistic and time-related.	Question	<p>Outcomes must be:</p> <ul style="list-style-type: none"> <li>• Relevant to the specification</li> <li>• Achievable from the proposed activities</li> <li>• Have relevant indicators and measures</li> <li>• SMART</li> </ul>	15

# Local Community Fund Recommended Projects

# Appendix F

## Theme 1 - Scheme A: Children, Young People and Families

ID	Organization	Project Title	Main Priority	Short Project Description	Geographic Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8422	Canaan Project	Canaan Project - Isle of Dogs	Increase access to Youth Services	Canaan Project provides activities for young women aged 11-19 on the Isle of Dogs. Working with George Green's school and Café Forever we offer activities including cooking, craft, sports, and inspirational workshops at our weekly lunch and after school clubs as well as opportunities to join us for regular trips.	Island Gardens Canary Wharf Blackwall and Cubitt Town	28,810	104,111
8378	Half Moon Young People's Theatre	Professional Theatre and Inclusive Participatory Drama for Young People	Increase access to Youth Services	Professional theatre shows and inclusive participatory drama opportunities in an accessible and welcoming venue. The activity is for children and young people from 0-18 (or 25 for disabled young people) from all backgrounds and abilities from across Tower Hamlets, providing free access support to anyone who needs it.	Borough wide	38,213	133,746
8319	Newark Youth London	Girls in Action	Increase access to Youth Services	Our project aims to increase access to regular youth services by girls and young women so they develop their confidence and lifeskills; make them resilient and enable them to participate in a six month social action project and other learning opportunities so they develop their leadership, communication and organisational skills.	Borough wide Limehouse Shadwell Whitechapel Stepney Green St Dunstan's	20,181	70,634
8310	Osmani Trust	Family Mentoring Project (FMP) ' Early Help	Provision of Early Help support to families	Our project aims to provide through family mentoring a range of Early Help support to children, young people and their families to help them overcome their immediate challenges and meet their needs in order for them to thrive in healthy and safe families.	Borough wide	36,000	126,000
8248	St Hilda's East Community Centre	St. Hilda's Girls Driven Project	Increase access to Youth Services	St. Hilda's Girls Driven Project is an inspirational initiative designed to support, inspire, drive girls and young women to reach their full potential and realise their authentic ambitious life goals. Enhance core skills, confidence, grit, motivation, equality and leadership by building on current and long heritage of successful girls work.	Weavers Bethnal Green	16,464	57,624

## Local Community Fund Recommended Projects

## Appendix F

8242	Stifford Centre Limited	Stifford Young Girl's Project	Increase access to Youth Services	The Project will run a Young Girl's Club that will offer disadvantaged young girls a safe space in which they can socialise, participate in a range of activities that encourage their wellbeing, improve confidence and learn skills that are useful for their future development.	St Katherine's and WappingShadwell WhitechapelStepney GreenSt Dunstan's	14,564	50,974
8140	The Yard Theatre Ltd	Tower Hamlets Teens	Increase access to Youth Services	Free, fortnightly youth leadership workshops, weekly drama workshops, summer masterclasses, and schools performances for Tower Hamlets teenagers. Delivered at Tower Hamlets assets, Hub67, The Yard, and local schools, it increases access to youth services, improves participants' health and wellbeing through cultural activities, and supports community cohesion through public events.	Borough wide Bow West Bow East	36,913	129,196
						<b>191,145</b>	<b>672,285</b>

### Theme 1 - Scheme B: Older People

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8071	Age UK East London	Friend at Home	Ageing well and reducing social isolation	Matching housebound older people who would like a bit more company at home with volunteers who would like to share an enjoyable hour or two of conversation and company with them.	Borough wide	63,105	220,866
8130	Age UK East London	Caxton Hall, a dynamic activity centre led by older people for the whole community.	All in scheme	Caxton Hall is a dynamic activity centre led by older people. Come and enjoy a warm welcome, healthy snacks at our cafe, meet your neighbours and connect to others young and old in your community.	Mile End Bromley South Bromley North Bow West Bow East	73,740	258,090
8420	Community of Refugees from Vietnam - East London	Vietnamese and Chinese Lunch and Social Club	Ageing well and reducing social isolation	The Vietnamese and Chinese Lunch and Social Club project provides healthy lunches and social and health promotion activities for people aged over 50, from the Vietnamese and Chinese community in Tower Hamlets. The Club meets every Monday and Thursday at St. Nicholas Church, Aberfeldy Street in Poplar.	Borough wide	34,728	114,548

## Local Community Fund Recommended Projects

## Appendix F

8403	East London Out Project	Tower Hamlets LGBT Support	includes priorities from other schemes in this theme	LGBT Community Support to enhance peer networks, lessen isolation and provide mental health crisis prevention support. Two facilitated social support groups, for older people, people with mental health needs or other disabilities, Individual mental health crisis prevention support provided. LGBT training available to other organisations.	Borough wide	27,618	96,661
8147	St Hilda's East Community Centre	Older People's 'Feeling Good!' Wellbeing Project	All in scheme	'Feeling Good!' wellbeing project is based in Weavers Ward and open to older people from throughout the Borough, Monday-Friday. Providing nutritious lunches, it is more than an ordinary Lunch Club, providing invigorating opportunities from indoor sport, IT learning, singing, art, intergenerational activities with schoolchildren, outings and quizzes, and much more!	Borough wide Weavers	30,000	105,000
8138	Tower Hamlets Friends and Neighbours	Older Peoples Befriending Project	Ageing well and reducing social isolation	THFN will be providing befriending and advocacy services to older people in the borough. Our team of befriender advocates will provide regular one to one support to people in their own homes and assist with making appointments and help in accessing services, as well as organising small group outings locally.	Borough wide	50,000	175,000
8205	Toynbee Hall	The Wellbeing Centre at Toynbee Hall	Provision of physical and health-promotion activities for older people	This project will offer holistic relational support to older people aged 50+ in Tower Hamlets. It aims to make Toynbee Hall's existing provision at our Wellbeing Centre more inclusive and responsive to needs and to build stronger networks of information sharing and peer-support between users and those not accessing services.	Spitalfields and Banglatown	41,414	144,949
						<b>320,605</b>	<b>1,115,114</b>

# Local Community Fund Recommended Projects

# Appendix F

## Theme 1 - Scheme C: Access, Information and Self-Management

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8104	Globe Community Project	Take Back Your Life	Residents better informed/equipped to manage health conditions	A mindfulness-based pain management programme, addressing chronic pain/illness, related social isolation and inactivity. Designed for Tower Hamlets residents with potentially lower language, literacy and income levels and/or from hard to reach groups. Based on the award-winning book: 'Mindfulness for Health' and delivered by experienced, fully accredited Breathworks trainers.	Mile End Bow West Bow East Bethnal Green	28,047	98,165
8289	Real DPO Ltd	Taking control of your life	Residents better informed/equipped to manage health conditions	The "Taking control of your life' project delivers creative support planning support alongside a user-led co-production group harnessing the views of people with lived experience of disability. This project maximises independence, supporting people to make decisions on how they want to fulfil their ambitions and also help 'change the system'.	Borough wide	62,490	218,714
						<b>90,537</b>	<b>316,879</b>

Page 144

## Theme 1 - Scheme D: Healthy living and healthy choices

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8333	London Tigers	Exercise for health: BAME women, children and young people	All in scheme	Exercise for health project delivers a series of sports, physical activities and health-related workshops for women, young people and children to make positive choices about their health and wellbeing. It will provide pathways to stay involved, excel in sports, and develop healthier habits for life.	Blackwall and Cubitt Town Bromley North Whitechapel Stepney Green St Dunstan's Weavers	42,740	149,590

## Local Community Fund Recommended Projects

## Appendix F

8322	MUDCHUTE ASSOCIATION	Playing out at Mudchute	Increased engagement in physical activity	We will use Mudchute's unique natural facilities to provide a range of freely chosen play opportunities in a safe, stimulating environment. Enabling children access to participate in freely chosen, innovative leisure and sporting activities will promote; exercise, healthy eating, social and life skills through the process of 'Learning through Play'	Borough wide Canary Wharf	20,000	70,000
8320	Newark Youth London	Healthy-Active-Together (HeAT)	Increased engagement in physical activity	The Healthy-Active-Together (HeAT) project will offer a wide range of sports and physical activities across the borough with the objective of engaging inactive young people (10 to 25) and their families in regular sports and physical activities to improve health and wellbeing, and reduce isolation and exclusion.	Borough wide Limehouse Shadwell Whitechapel Stepney Green St Peter's Bethnal Green	28,114	98,399
8235	STIFFORD CENTRE LIMITED partnership with 1. Stepney City Farm 2. Shadwell Basin Outdoor Activity Centre 3. Bangladesh Youth Movement 4. Wapping Bangladesh Association 5. Dorset Community Association 6. Black Women's Health and Family Support	Healthy Lifestyle Partnership Programme	Increased engagement in physical activity	A free membership health club with over 20 different classes and groups per week brought to you by seven different organisations working together. Build points, beat your personal best and feel your health improve. Health Club is suitable for all ages, and participants will design the activity program alongside providers.	St Katherine's and Wapping Shadwell Whitechapel Stepney Green St Dunstan's Spitalfields and Banglatown Weavers Bethnal Green	80,027	280,095

## Local Community Fund Recommended Projects

## Appendix F

8226	The Bangladesh Youth Movement (BYM)	'Live Healthy ' Enjoy Life' [the Female Health & Development Project]	All in scheme	'Live Healthy ' Enjoy Life' will operate from BYM's Women's Centre providing proactive and responsive health development activities which ensure excluded BAMER women develop healthy lives and manage their own physical and mental health ; peer volunteer befriending and development of social networks will alleviate isolation and facilitate inclusion.	Borough wide St Katherine's and Wapping Shadwell Whitechapel Stepney Green St Dunstan's Spitalfields and Banglatown St Peter's	21,542	75,397
8217	The Royal Society for Blind Children	Live Active, Live Well Tower Hamlets	Increased engagement in physical activity	Live Active, Live Well Tower Hamlets will enable 60 blind and partially sighted young people aged 8-25 to gain the confidence and motivation to participate in physical activities and inform their ability to make healthier choices over the next three years.	Borough wide	18,132	63,463
						<b>210,555</b>	<b>736,944</b>

# Local Community Fund Recommended Projects

# Appendix F

## Theme 1 - Scheme E: Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8246	St Hilda's East Community Centre	St. Hilda's Surjamuki Disabled Youth Project	People suffering with mental health issues are better supported	Surjamuki disabled youth project supports young people with learning and physical disabilities across Tower Hamlets, offering a range of educational and recreational opportunities and free wheelchair accessible minibus transport.	Borough wide	12,923	45,231
8365	ICM Foundation CIC	CORE Projects Get Active Newspaper - Promoting Healthy and Active Lifestyles	All in scheme	From October 2019 to March 2023, 20 people with learning disabilities aged 18+ from Tower Hamlets will work in partnership with ICM Foundation. Three times each year we will design and deliver 5000 accessible newspapers, on the theme of health and wellbeing, distributed to communities that reflects the borough's diversity.	Borough wide	13,129	45,952
8186	Woman's Trust	Therapeutic Support Groups for women affected by Domestic Abuse	People suffering with mental health issues are better supported	Our Therapeutic Support Groups provide a safe, moderated space for female survivors of domestic abuse to share experiences and support each other. Groups help women to recover their mental health by reducing isolation, learning from shared experiences, being empowered by supporting others and thereby gaining confidence and independence.	Borough wide	19,279	67,478
8414	deafPLUS	Improving Health and Wellbeing for Deaf and Hard of Hearing people in Tower Hamlets	Improved health outcomes for disabled people	A borough wide health and wellbeing project that will address health inequalities, loneliness and isolation, mental health issues and barriers to employment, lack of confidence and self-esteem by bringing deaf and hard of hearing people together across communities.	Borough wide	45,214	158,249
8151	Working Well Trust	Upskill	People suffering with mental health issues are better supported	Improve the wellbeing of people with lived experience of mental health by supporting them to achieve their goals by accessing new opportunities and including support from their peer, enabling to reconnect with the local community.	Borough wide	108,485	379,698
						<b>199,030</b>	<b>696,608</b>

# Local Community Fund Recommended Projects

# Appendix F

## Theme 2 - Scheme A: ICT skills and digital careers

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8116	Wapping Bangladesh Association	Digital First	Access to ICT support and training for older people	Digital First will engage socially isolated BME older adults aged 55+ but not exclusively living in Wapping and Shadwell, who are not computer literate and are digitally excluded. The Project will deliver ICT and Internet training that will help older adults to cope with facing key life transitions or challenges.	St Katherine's and Wapping Shadwell Whitechapel	4,715	16,503
8344	Limehouse Project	DigiTIES	Access to ICT support and training for older people	The aim of DigiTIES workshops is to prevent digital exclusion in older adults in order to prevent social isolation and increase their ability to access online health related support. The content of the workshop includes how to use social media, managing email accounts, and accessing online health related support services.	Limehouse Lansbury Mile End Stepney Green St Dunstan's	19,999	62,297
8316	Newham New Deal Partnership	@online club network ' Tower Hamlets	Access to ICT support and training for older people	@online club network will build the confidence of older residents (over 50s) to go online using tablet devices, learning in small friendly groups, through taster sessions and eight-week or longer programmes of practical activities based on the needs and interests of participants.	Borough wide	19,520	68,320
						<b>44,234</b>	<b>147,120</b>

## Scheme B: Online Safety

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8111	SocietyLinks Tower Hamlets	E-Safety Champions	Children/ young people safety online	The E-Safety Champions project will train local women to become 'champions' for e-safety in the community. Weekly workshops will cover all areas of online safety. Once trained, our champions will go into schools and community groups to spread their knowledge to young people and parents/carers through presentations and workshops	Whitechapel	5,798	20,293

## Local Community Fund Recommended Projects

## Appendix F

8251	Sporting Foundation	Building Digital Resilience	Children/ young people safety online	Sporting Foundation will build the digital resilience of children and young people and raise the awareness of online safety with parents so that as families they are safe from risk and able to utilise digital resources and managed effectively and reduces harm.	Borough wide	8,803	30,811
						<b>14,601</b>	<b>51,104</b>

Theme 3 - Scheme A: Advice and Information

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8407	East End Citizens Advice Bureaux partnership with 1. Account3 Ltd 2. Age UK East London 3. Bromley By Bow Centre 4. deafPLUS Breakthrough Deaf Hearing Integration 5. Island Advice Centre 6. Legal Advice Centre (University House) 7. Limehouse Project 8. Praxis Community Projects 9. St Hilda's East 10. St Peter's Bengali Association 11. Tower Hamlets Law Centre 12. Toynbee	Advice Tower Hamlets	Provision of Social Welfare Advice	Advice Tower Hamlets provides free, confidential, independent, quality-assured advice services to help Tower Hamlets residents resolve the problems they face, including welfare benefits, housing, money/debt, employment, immigration, consumer, education, community care, family, personal issues. This service is led by Citizens Advice Tower Hamlets, in partnership with twelve local advice agencies.	Borough wide	924,102	3,234,357
8082	Island Advice Centre partnership with THCAN	Tower Hamlets Advice Training and Capacity Building Project	Provision of Social Welfare Advice	The project improves capacity, training, quality and access to the boroughs advice services. We will develop coordination and cooperation between advice and other sectors providing: recruitment and training for volunteers, facilitation of the THCAN network, updated website of advice provision and information / factsheets, coordination of meetings, delivering formal training.	Borough wide	50,000	175,000
						<b>974,102</b>	<b>3,409,357</b>

# Local Community Fund Recommended Projects

# Appendix F

## Theme 4 - Scheme A: Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8290	Real DPO Ltd partnership with deafPLUS Breakthrough Deaf Hearing Integration Evenbreak Legal Advice Centre (University House) PurpleSpace Ltd	NOW and THEN	Promoting ethical employer practices to focus on improving employment and progression opportunities for disadvantaged people	An holistic package of services, underpinned by coproduction, to support Tower Hamlets companies develop the confidence and capacity to be excellent employers of disabled people, and increase levels of employment amongst them. The project creates communities of current and potential workers, and employers, to drive positive change.	Borough wide	115,923	405,729
						<b>115,923</b>	<b>405,729</b>

## Theme 4 - Scheme B: Reducing barriers to employment for disadvantaged groups

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8342	Limehouse Project	Developing Potential	Reducing barriers to employment for disadvantaged groups	Developing Potential is an integrated programme of personal skills development designed to enable women to make informed choices on their futures, supporting them into training, volunteering and work. This project will link with the existing provision and act as a progression route forwards new opportunities for women in Tower Hamlets	PoplarLimehouse LansburyMile EndBow WestBow EastWhitechapelS tepney GreenSt Dunstan'sBethnal Green	50,295	176,033
8171	SocietyLinks Tower Hamlets	Job Club	Reducing barriers to employment for disadvantaged groups	This project will deliver two weekly job club sessions Mondays and Wednesdays 9-12 pm run by our experienced employment support worker. The sessions will include access to computers and tailored employment support with creating a CV, accessing emails, job searching, applications and using Universal Job Match.	Whitechapel	15,296	53,536

## Local Community Fund Recommended Projects

## Appendix F

8240	STIFFORD CENTRE LIMITED	BAME Women's Employment Support Programme	Reducing barriers to employment for disadvantaged groups	This project will run a training programme to help long-term unemployed and economically inactive, isolated and disenfranchised BAME women and improve their job prospects. The focus is on carers and single parents of Bengali, Somali and BAME heritage with limited English language, confidence and secondary education for community learning.	St Katherine's and Wapping Shadwell Whitechapel Stepney Green St Dunstan's Spitalfields and Banglatown Bethnal Green	30,378	106,323
8149	St Giles Trust	Choices Tower Hamlets	Employment skills for vulnerable young people who are NEET	We will support NEET Young people who are facing multiple disadvantages to access education, skills development and employment. The project will deliver credible, consistent and holistic work via individualised one-to-one support, supporting the young person to address and overcome barriers to raise their aspirations and towards reaching their potential.	Borough wide	56,800	198,800
						<b>152,769</b>	<b>534,692</b>

Page 152

### Theme 4 - Scheme C: Support focused on increasing access to art and cultural industries

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8424	The Bromley by Bow Centre	Creative Communities	Support focused on increasing access to art and cultural industries	Our project will equip at least 180 people from under-represented communities to increase their participation and readiness for employment in the creative sector. We will do this through a flexible community-based programme of engagement, needs assessment, practical group work and 1:1s, combining personal and core skills development, with individual support.	Poplar Lansbury Mile End Bromley South Bromley North Bow West Bow East	57,782	202,237
8392	Four Corners Ltd	ZOOM Film School	Support focused on increasing access to art and cultural industries	ZOOM Film School will work with 90 disadvantaged residents 'particularly BAME communities, women and people with disabilities ' to nurture their creative talent, increase confidence and self-esteem, and enable them to acquire the practical skills, experience, and industry knowledge needed to move into work in the creative industries.	Borough wide Spitalfields and Banglatown Weavers St Peter's Bethnal Green	81,373	284,806

## Local Community Fund Recommended Projects

## Appendix F

8357	Auto Italia South East	Learning Live	Support focused on increasing access to art and cultural industries	Learning Live! is a training and mentoring programme designed to support young people in Tower Hamlets progression into higher education courses, with the aim to aim to increase access into the art and cultural industries.	Borough wide	11,000	38,500
8329	Magic Me	Artworks	Support focused on increasing access to art and cultural industries	Artworks is a new traineeship delivered by arts charity Magic Me, identifying and supporting talented Tower Hamlets Residents from BAME and working class backgrounds to gain the knowledge, skills and confidence to access careers in community arts coordination and producing.	Borough wide	27,596	96,586
						<b>177,751</b>	<b>622,129</b>

# Local Community Fund Recommended Projects

# Appendix F

## Theme 5 - Scheme A: Reduction in the exploitation of children, young people and other vulnerable groups

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8360	Kazzum Arts	Build	Reduction in the exploitation of children and young people, and vulnerable groups	Build will support young people excluded from mainstream education, currently educated at a pupil referral unit (PRU) in Tower Hamlets. Students in this setting are at risk of exploitation and coercion into criminal activity. Through a programme of creative activities our project will develop confidence, emotional literacy and interpersonal skills.	Bethnal Green	21,184	63,552
8312	Osmani Trust	Schools and Community Resilience Programme	Reduction in the exploitation of children and young people, and vulnerable groups	This proposal seeks to:1. transform and change the attitudes and behaviour of secondary school children; improving their confidence, critical thinking skills and emotional intelligence.2. Deliver a peer programme engaging young people as ambassadors to their peers, changes attitude, promotes understanding, increase community cohesion and ultimately empowers young people.	Borough wide	35,955	125,843
8231	Streets of Growth	Resilient Young Leaders Programme	Reduction in the exploitation of children and young people, and vulnerable groups	The Resilient Young Leaders Programme is an innovative, impactful initiative led by and for young people (15-19 years) to enable young people to build skills and capacity to feel safe, confident, and responsible when demonstrating the community safety and positive change they want to see in their neighbourhoods.	Borough wide	25,816	90,356

Page 154

## Theme 5 - Scheme B: Improving the perception of young people in the community

ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8393	Four Corners Ltd	Into Focus photography project	Improving the perception of young people in the community	Into Focus offers an intergenerational photography project for 24 people each year (12 young people aged 14-25 years and 12 over-50s). Groups will create work for a final exhibition, focusing on social perceptions and misconceptions between older and younger people to promote positive attitudes and increasing mutual understanding.	Borough wide Poplar Lansbury Bow West Bow East Shadwell Stepney Green Bethnal Green	16,584	58,044

# Local Community Fund Recommended Projects

# Appendix F

8354	Leaders in Community	Project Connect	Improving the perception of young people in the community	A group of young people recruited by LiC will collaborate with older people to design a programme of activities and celebrations, which enable long-term social connections to be made, and ideas and points of view to be exchanged. The outcomes of the activities will be shared with the wider community.	Borough wide	19,540	68,391
						<b>36,124</b>	<b>126,435</b>

## Theme 5 - Scheme C: Services for people affected by domestic violence or other unsafe circumstances

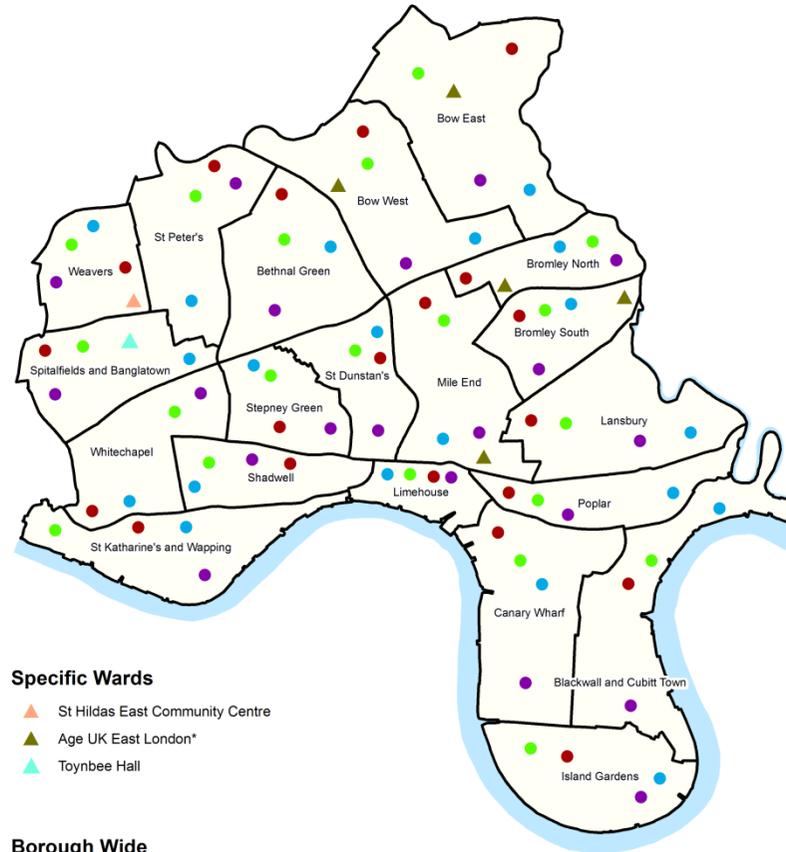
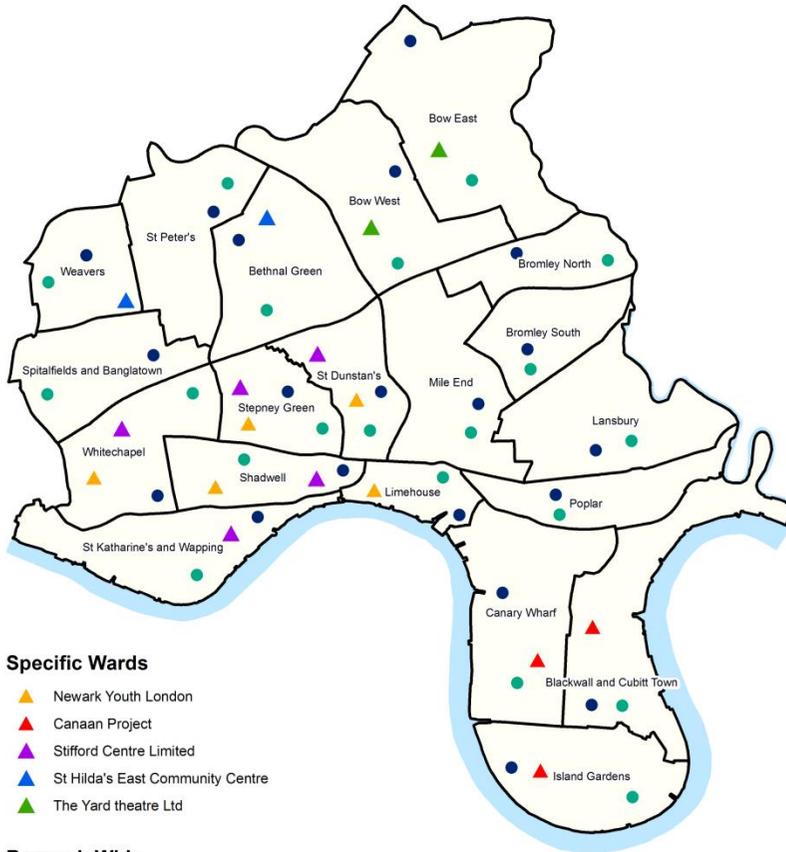
ID	Organization	Project Title	Main Priority	Short Project Description	Geographical Area Served	Recommend (Annual amount)	Recommend (Total 42 months)
8374	Hestia Housing and Support partnership with Nour	Families Safe and Secure in Tower Hamlets	Services for people affected by domestic violence	This project will support families who have experienced DVSA and who are living in a local refuge to address the trauma they've faced and to learn about what a healthy relationship looks like. It will also raise awareness amongst the Tower Hamlets community of DVSA and how to report it.	Borough wide	23,100	80,850
8331	Look Ahead Care and Support	Domestic Abuse Children's Worker	Services for people affected by domestic violence	A specialist Domestic Abuse Children's Worker to support children who are vulnerable due to early exposure to domestic abuse. Providing emotional support through age appropriate engagement, e.g. play, to address challenges faced by children living at our LBTH Domestic Abuse Service and in the community.	Borough wide	40,521	141,825
						<b>63,621</b>	<b>222,675</b>

This page is intentionally left blank



Theme 1 - Scheme A: Children, Young People and Families

Theme 1 - Scheme B: Older People



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

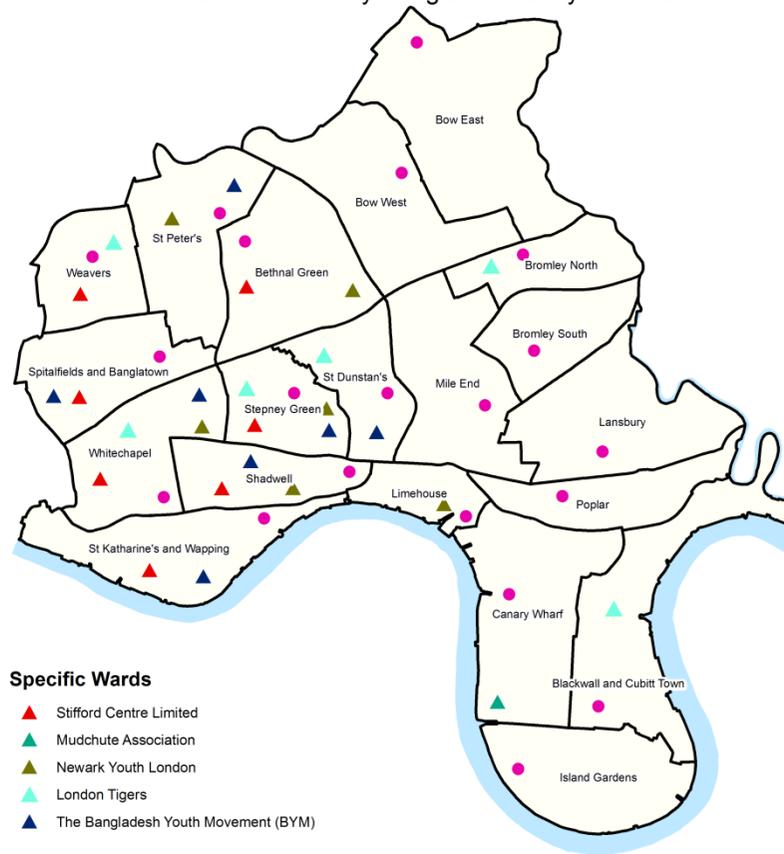
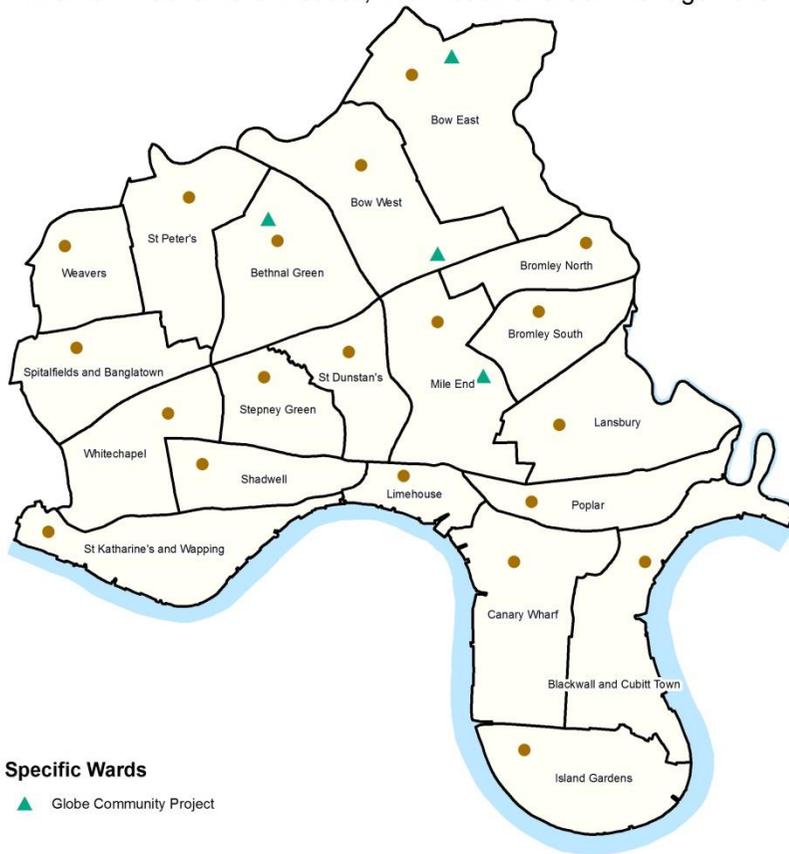
© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.



Theme 1 - Scheme C: Access, Information and Self-Management

Theme 1 - Scheme D: Healthy living and healthy choices

Page 158



**Specific Wards**

- ▲ Globe Community Project

**Specific Wards**

- ▲ Stifford Centre Limited
- ▲ Mudchute Association
- ▲ Newark Youth London
- ▲ London Tigers
- ▲ The Bangladesh Youth Movement (BYM)

**Borough Wide**

- Real DPO Ltd

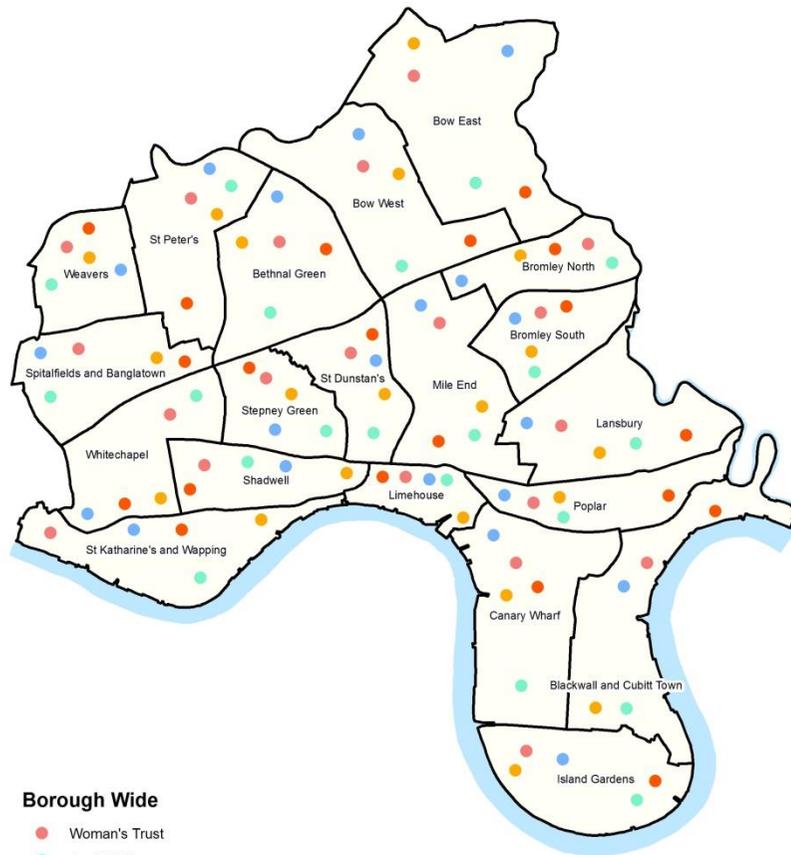
**Borough Wide**

- The Royal Society for Blind Children

© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

Theme 1 - Scheme E: Improved inclusion, health and well-being outcomes for disabled people and people experiencing mental health issues



**Borough Wide**

- Woman's Trust
- deafPLUS
- Working Well Trust
- St Hildas East Community Centre
- ICM Foundation CIC

© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

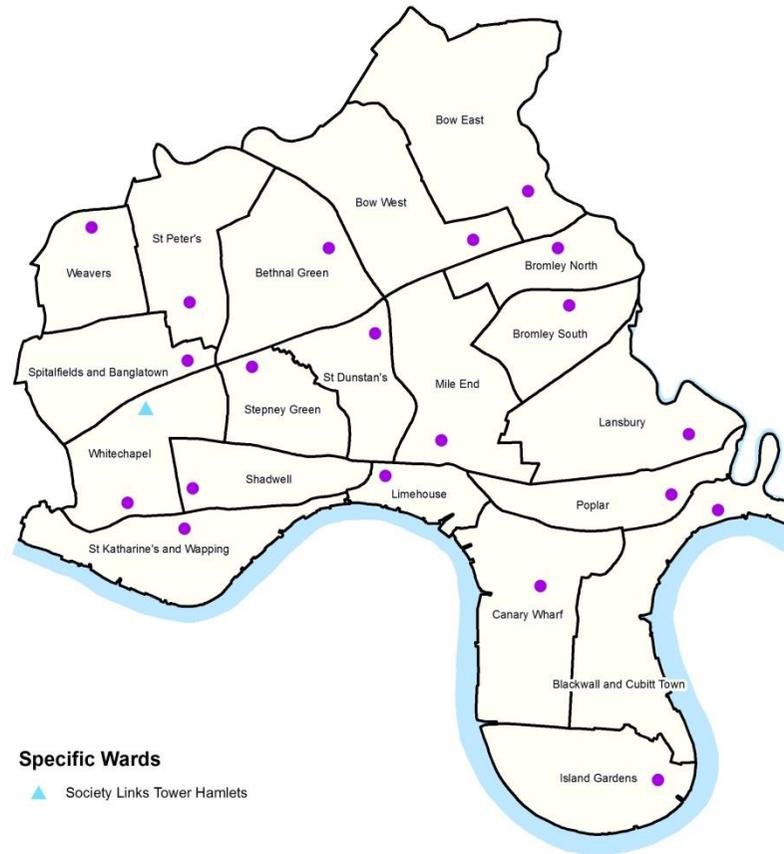


Theme 2 - Scheme A: ICT skills and digital careers

Theme 2 - Scheme B: Online Safety



Page 160



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

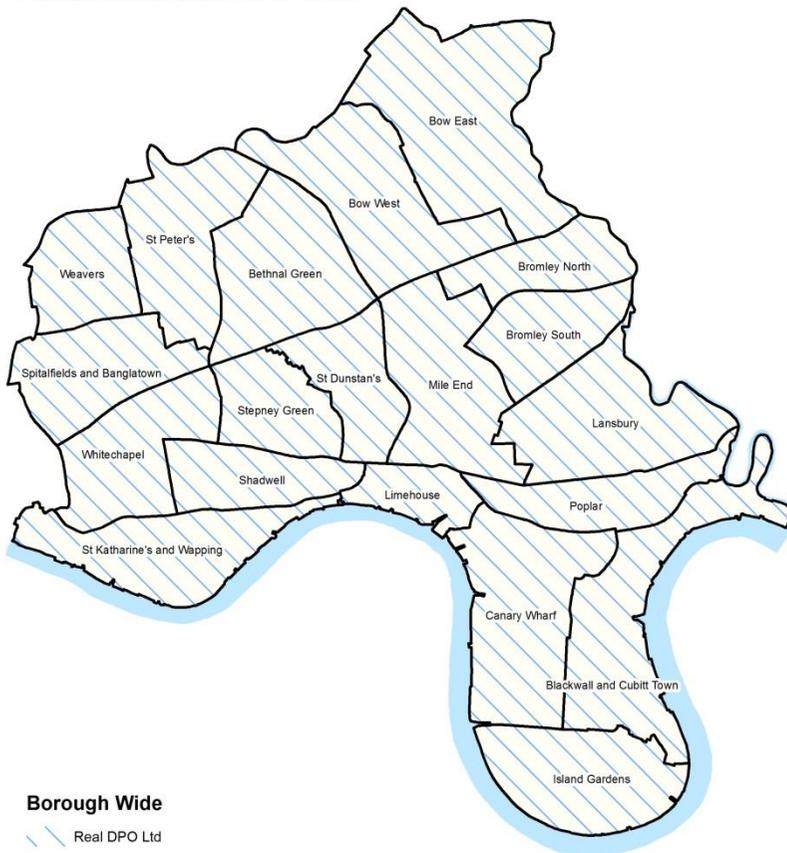
© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.



## Theme 3 Advice and Information

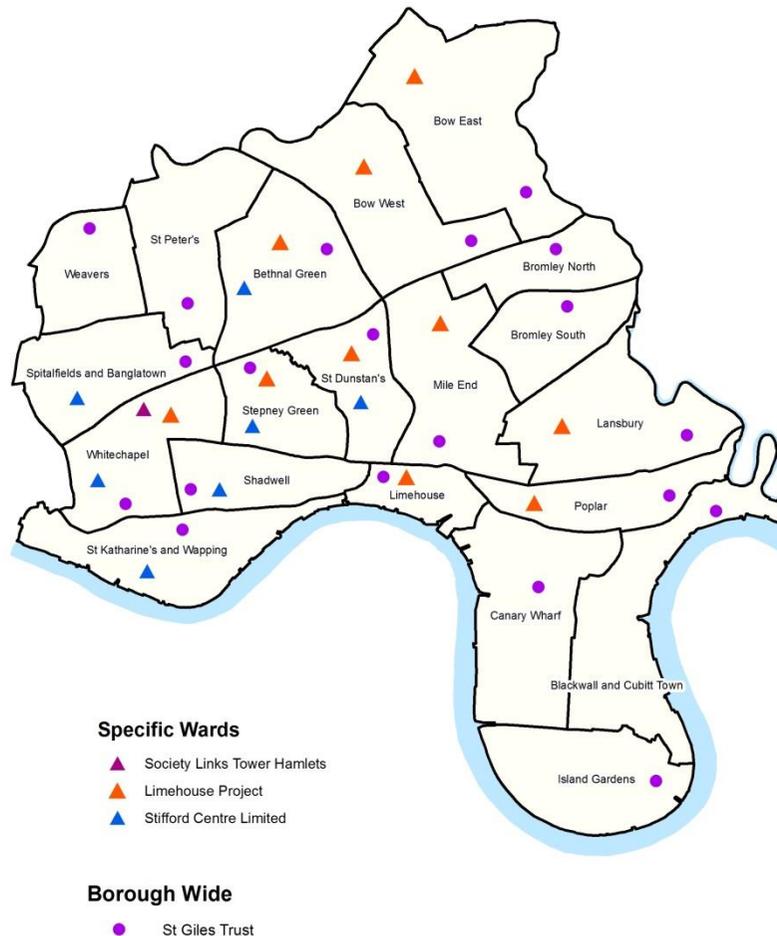


Theme 4 - Scheme A: Developing and embedding good practice in the work place for people with disabilities, learning difficulties and physical and mental health barriers to work



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

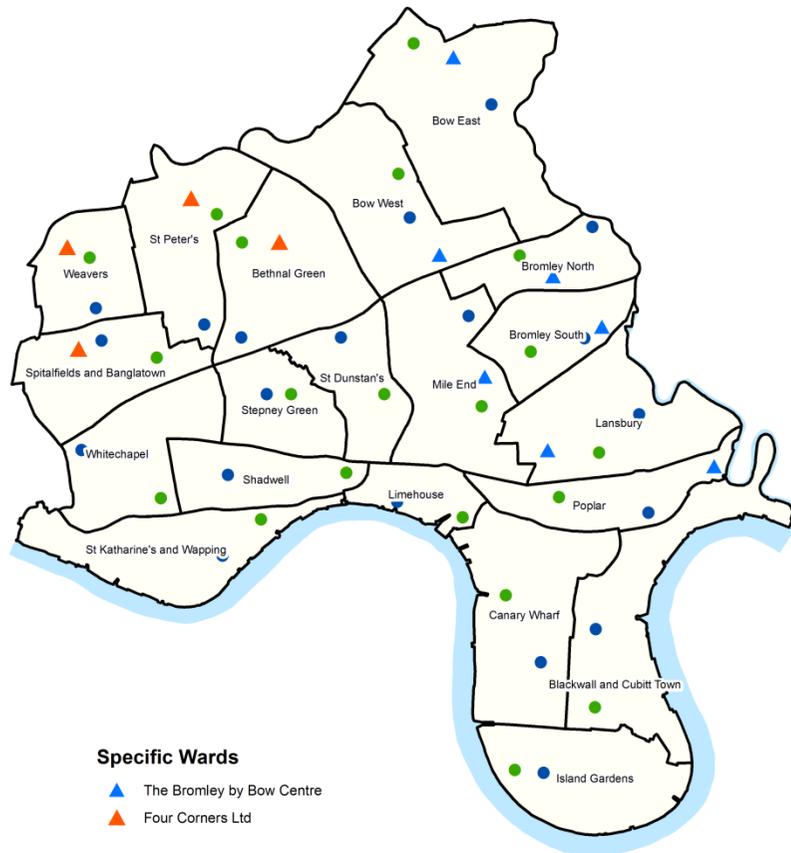
Theme 4 - Scheme B: Reducing barriers to employment for disadvantaged groups



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

# Geographic Distribution of Proposed LCF Projects

Theme 4 - Scheme C: Support focused on increasing access to art and cultural industries



**Specific Wards**

- ▲ The Bromley by Bow Centre
- ▲ Four Corners Ltd

**Borough Wide**

- Auto Italia South East
- Magic Me

© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

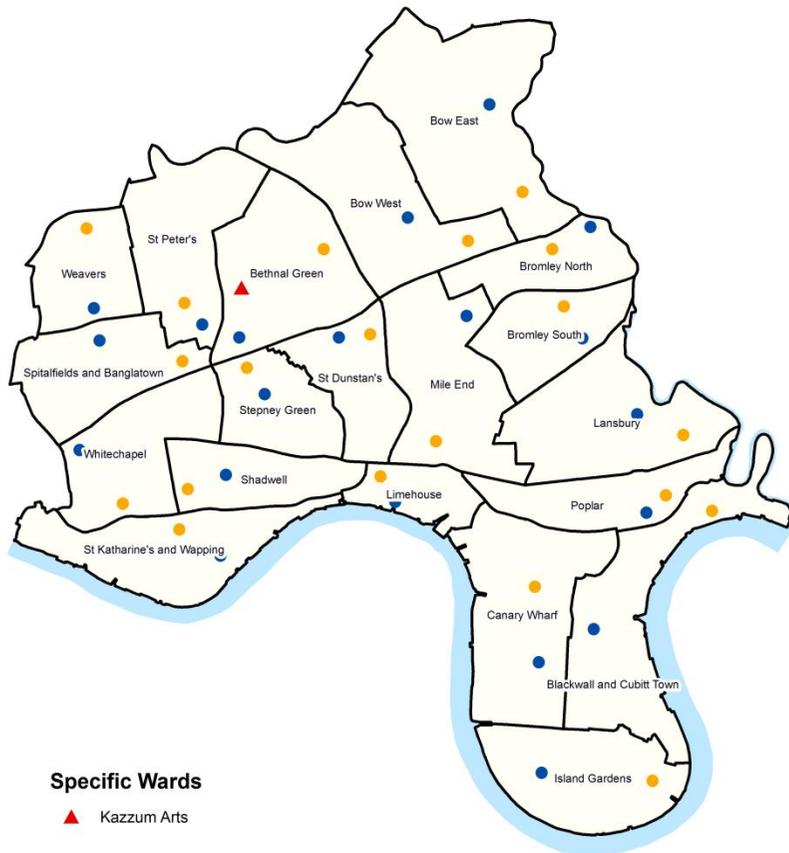
Theme 5 - Scheme A: Reduction in the exploitation of children, young people and other vulnerable groups



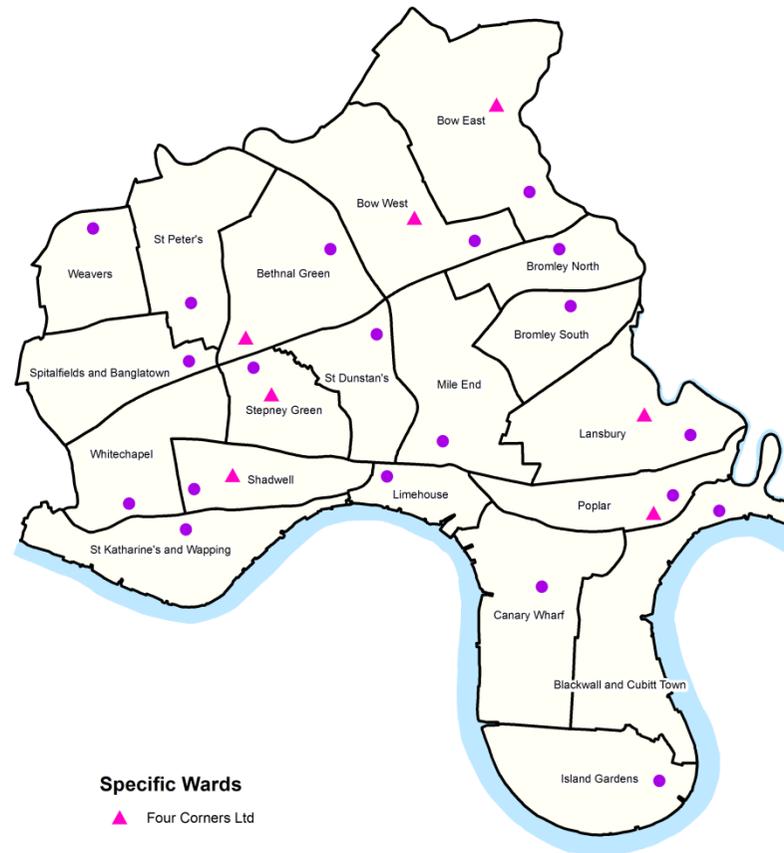
Theme 5 - Scheme B: Improving the perception of young people in the community



Page 164



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.



© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

Theme 5 - Scheme C: Services for people affected by domestic violence or other unsafe circumstances



### Borough Wide

- Look Ahead Care and Support
- Hestia Housing and Support

© Crown copyright and database rights  
2019 Ordnance Survey,  
London Borough of Tower Hamlets 100019288.

This page is intentionally left blank

**LONDON BOROUGH OF TOWER HAMLETS**

**OVERVIEW AND SCRUTINY COMMITTEE**

---

**“CALL IN”  
REQUISITION**

---

WE THE UNDERSIGNED WISH TO **“CALL IN”** FOR CONSIDERATION BY THE OVERVIEW AND SCRUTINY COMMITTEE OF THE LONDON BOROUGH OF TOWER HAMLETS THE PROVISIONAL DECISION (S) OF THE **CABINET DECISION** TAKEN ON THE Wednesday 31 July, 2019 IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO. Strategic Review of Tower Hamlets Homes. 6.3

**Councillor** Gabriela Salva-Macallan

**(Sign)**

**(Print)**

\_\_\_\_\_  
Ehtasham Haque

• **Councillor**

**(Sign)**

**(Print)**

\_\_\_\_\_  
Puru Miah

• **Councillor**

**(Sign)**

**(Print)**

\_\_\_\_\_  
Shah Ameen

• **Councillor**

**(Sign)**

**(Print)**

\_\_\_\_\_  
Shad Choudhury

• **Councillor**

**(Sign)**

**(Print)**

Decisions relating to education matters can also be “Called In” by 2 Church, Faith or Parent Governor representatives who have been co-opted the Committee.

• **Co-opted Member** (Sign) (Print)

\_\_\_\_\_

• **Co-opted Member** (Sign) (Print)

\_\_\_\_\_

Dated \_\_\_\_\_ 9 August 2019 \_\_\_\_\_

***Once completed please return to Matthew Mannion, Head of Democratic Services  
Telephone: 020 7364 4651***

## LONDON BOROUGH OF TOWER HAMLETS

### OVERVIEW AND SCRUTINY COMMITTEE – 2019/2020

#### “CALL IN” REQUISITION

<b><u>AGENDA ITEM NO.</u></b>	6.3
<b><u>REPORT TITLE/ DATE OF CABINET MEETING</u></b>	Strategic Review of Tower Hamlets Homes. Cabinet Wednesday, 31st July, 2019 5.30 p.m. <a href="http://democracy.towerhamlets.gov.uk/ieDecisionDetails.aspx?AllId=100053">http://democracy.towerhamlets.gov.uk/ieDecisionDetails.aspx?AllId=100053</a>
<b><u>REASONS FOR “CALL IN”</u></b>	<p>Tower Hamlets Council Constitution outlines principles of decision-making as d) a presumption in favour of openness.</p> <p>We believe that the decision did not abide by this principle.</p> <p>The cabinet report <a href="#">LBTH/THH Strategic Review of Housing Management Options</a> information was and seemed biased towards the extension of ALMO, for example,</p> <p>“3.7.3 However, a number of other authorities have extended their ALMO Management Agreements, typically for a period of five to ten years with some extending by up to 30 years. These include Barnet, Lewisham,</p>

Blackpool, Barnsley, **Brent\***, Derby and Solihull.”

This is misleading. In fact, Brent Council decided to bring its housing stock into council control as stated in the Altair.

<https://www.brent.gov.uk/council-news/october-2017/council-housing-comes-back-under-brent-council-control/>

None of the examples given in the Cabinet report had extended their ALMO contract for more than 15 year, in fact all had extended for ten years other than Blackpool, with four out of six due to expire in 2021.

- Barnet set to expire in 2028 (ten year extension)
- Lewisham set to expire in 2027 (ten year extension)
- Blackpool, set to expire in 2021 (fifteen year contract)
- Barnsley set to expire in 2021 (five year extension)
- Brent\* has brought it services in house
- Derby set to expire in 2021 (ten year extension)
- Solihull set to expire in 2021 (five year extension)

Furthermore, noting the Council’s Constitution; “2.4 Community Engagement/ Consultation. The level of community engagement or consultation required will be appropriate to the nature of the matter under consideration having due regard to the Council’s Community Engagement Strategy.”

The Council engaged Altair to draw up proposals for the Mayor to consider. However, the Tower Hamlets Council consultation was conducted over four weeks, this level of community engagement does not meet the threshold of the 12 week consultation period expected of Tower Hamlets consultation.

Of the 21,000 homes of council-owned stock (comprising social rented homes and former right-to-buy leaseholder homes), Tower Hamlets Council consulted with a total of 197 residents who responded by email or telephone (85 leaseholders and 74 tenants).

Not only falling short of the Government Code of Practice on Consultation 2008, but also lacking meaningful engagement that other boroughs have undertaken when holding similar consultation such as Westminster City

Council which held open door / listen events to consult residents:

“Five open door events and more than 13 listening events across the Westminster borough were attended by over 660 people. Attendees were able to have individual consultation time of at least 30 minutes and over 600 people took this opportunity to explain their issues and the improvements required.”

<https://www.buyassociation.co.uk/2019/04/03/westminster-city-council-takes-back-control-of-housing-stock-with-launch-of-new-service/>

Moreover, in keeping with the [Communities and Local Government Guidance for councils considering the future of their ALMO housing management services](#) and so as to comply with the Housing Act 1985, Section 105, although there is no legal requirement to ballot estate residents on management agreement, it could be seen as good practice and we point to Altair report 9.5.2. Paragraph 3.7 of the paper supporting the extension of the additional two years notes: “The DCLG recognises the ballot as the preferred mechanism for the majority of authorities in testing their tenants` opinions in respect of changes to management arrangements; it is not a legal requirement”. The paper further notes in paragraph 3.8: “However, a wider consultation with residents on how they view the housing services should be delivered will be conducted before the Management Agreement expires in 2020 (should the extension be agreed).”

Last, the Altair report was unable to consider the impact of lifting the Housing Revenue Account (HRA) debt cap, which had only just been announced. There is the need for greater economic modelling of options and as the Altair report stated “We did not find evidence of substantial tracking of financial VfM KPI data.” Further resource should be placed towards investigating the saving and cost benefits of housing options. The level of risk regarding ‘changes to the status quo’ could be reviewed so as to include the possible benefits of bring services in-house as has been recognised by APSE’s [‘Insourcing update: The value of returning local authority services in-house in an era of budget constraints’](#)

<p>ALTERNATIVE COURSE OF ACTION PROPOSED</p>	<p>For the reasons outlined above, we would ask that the O&amp;S committee explore these issues in depth and then request a delay to the final reconsideration by the Mayor until after Council on 18 September 2019.</p> <p>[Note – this would enable Members to submit a motion to Council to allow all Councillors to express their views on the following points.]</p> <p>The Call-in proposes:</p> <p>That the Tower Hamlets Homes’ contract is extended for a maximum of two years so as to undergo a full consultation exercise and allow for a full resident led appraisal of Option 1: In-house Management.</p> <p>The council should invite and establish a ‘peer review’ in which residents and TRAs use their experience and expertise to examine the progress and likelihood of successful delivery of housing options.</p> <p>An independent advisor with experience in finance, risk and partnerships should be appointed to assist the “peer review” to fully engage with economic and governance modelling of housing options.</p> <p>That the council put together economic modelling which reflects the financial implications of Option 1: In-house management, and this be made available to a ‘peer review’ prior to any decision being taken.</p> <p>To reflect the lifting of the Housing Revenue Account (HRA) debt cap in an economic modelling of financial implications of options.</p> <p>That a full risk register, and comprehensive risk assessments, for the housing options be made available to the ‘peer review’ and made public prior to any decision being taken. This should work backwards from what can go wrong, setting out where risk arises and the remedy for managing risk i.e. accept it, control it, transfer it, or avoid it.</p>
<p><b><u>WITHIN THE COUNCIL’S POLICY OR BUDGET FRAMEWORK</u></b></p> <p>=</p> <p><b><u>Please indicate</u></b></p>	<p>Yes</p>

<b>Cabinet</b>  31 July 2019	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Ann Sutcliffe: Corporate Director Place	<b>Classification:</b> Unrestricted
<b>LBTH/THH Strategic Review of Housing Management Options</b>	

<b>Lead Member</b>	Councillor Sirajul Islam, Cabinet Member for Housing
<b>Originating Officer(s)</b>	Mark Baigent – Interim Divisional Director Housing & Regeneration John Kiwanuka – ALMO Client Manager
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	Yes
<b>Reason for Key Decision</b>	Financial Threshold and Impact on Wards
<b>Strategic Plan Priority / Outcome</b>	2. A borough that our residents are proud of and love to live in 6. People live in good quality affordable homes and well-designed neighbourhoods.

## Executive Summary

The Council delegated its housing services to Tower Hamlets Homes (THH), a wholly owned Arms Length Management Organisation (ALMO), under the Management Agreement (MA) for ten years from 7<sup>th</sup> July 2008 to 7<sup>th</sup> July 2018, with a break clause after five years. In November 2016, the Mayor agreed to extend the MA for a further two years to 7<sup>th</sup> July 2020. In 2018, the Council commissioned consultants Altair Ltd to support it in exploring options for the delivery of its housing management services beyond 2020. This report sets out the outcome of Altair's review and recommends a further extension of the MA with THH to 2028, with a break clause after 4 years.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the findings of Altair's independent review of current housing management arrangements and appraisal of future options (Appendix 1).
2. Consider the outcome of the recent consultation exercise (Appendix 2) and determine whether to proceed with the extension of the Council's management agreement with Tower Hamlets Homes for four years (to

2024), with a possible extension for a further four years (to 2028).

3. If it is determined to proceed with the extension in accordance with 2 above, delegate to the Corporate Director (Place) after consultation with the Corporate Director (Governance), authority to complete the said extension by July 2020 and do all that is necessary for this purpose.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The strategic housing management option review identified extending the existing Management Agreement as the most effective way to deliver the Council's housing service in the current context. As the status quo option this route presents the least risk to the Council and hence is considered the most suitable, feasible and acceptable option. The review found no evidence to suggest fundamental problems with the current model that would indicate the ALMO should not be retained.
- 1.2 Extending the duration of the existing agreement puts THH onto a sound strategic and financial footing, enabling it to plan for the medium term, and to recruit and retain the staffing capacity appropriate to the purpose that the Council has set for it over that period.

## **2 ALTERNATIVE OPTIONS**

Altair considered a number of housing management delivery options. These are set out in detail in Appendix 1 and summarised below:

- 2.1 Diversified ALMO: A detailed business case would need to be developed for each new or transferred service under consideration. The test is not whether THH could deliver those services well, but rather that THH could deliver them at greater quality and/or more efficiently than LBTH. The suitability of this option is highly dependent on the particular services (if any) that may be considered.
- 2.2 Thinner ALMO: Given that THH is already a 'thin' ALMO, it is not clear what services would be better placed being delivered by the Council. The suitability of this option is highly dependent on the particular services (if any) that may be considered.
- 2.3 In-house Housing Management: The review found that there was no performance or financial imperative to bring the housing service in-house. THH is generally well-performing and is making financial savings to the HRA in line with Council targets. Bringing the ALMO in-house risks losing the improvements to the housing service that THH has achieved in recent years. During the review, Councillors, LBTH staff, and many engaged residents did not consider the housing management service in need of such significant a change in delivery model: "the ALMO isn't broken".

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

- 3.1 Previous government policy required Local Authorities to undertake a stock options appraisal to develop a strategy by which all their stock could meet the Decent Homes Standard. In order to bring in the investment needed to achieve this objective, the government provided three main ways to support local authorities who needed additional funding to make their homes decent. These were:
- Setting up an Arms-Length Management Organisation (ALMO)
  - Transferring properties to a Registered Provider of social housing
  - Entering into a Private Finance Initiative (PFI) contract
- 3.2 THH was created in 2008 to secure funding to deliver the Council's Decent Homes Programme. This programme was completed in 2017, with the original Management Agreement (MA) expiring in 2018. In 2016, the Mayor decided to extend the MA by two years to July 2020. Having confirmed the extension of the management agreement, the Council commissioned consultants Altair Ltd to support it in exploring options for the delivery of its housing management services beyond 2020. The review was undertaken in two stages, consisting of a baseline assessment and an options review. Altair's final report is at Appendix1.
- 3.3 Overall, the assessment showed that THH is a generally well-performing housing manager in terms of both housing management performance and cost. The 2017/18 management fee was a reduction on the previous year, reflecting £2.76m savings offset by a £1.33m allowance for short term growth items. This was to be the first year of a five-year programme delivering savings of £6m in total (£2m in 2017/18, and £1m p.a. thereafter). A further £1m saving in the total management fee was identified for 2018/19 despite additional resources for fire safety and Service Level Agreement increases. Additional successes include:
- Improving housing management service performance.
  - Resident satisfaction has steadily increased.
- 3.4 There is scope to make improvements in a number of areas and there is evidence that some of these are being addressed (e.g. contract management resourcing). Some improvements (e.g. mobile working) are dependent on IT upgrades, the timing of which may be outside THH's control. Some costs (e.g. agency staff to fill vacant posts) are being carried pending service reviews to avoid the likely (higher) alternative costs of redundancies. There is further evidence of performance improvements over recent years and the extensive transformation programme currently being delivered.
- 3.5 However, THH continues to operate under the legacy of a troubled delivery of Decent Homes, which is likely to remain an operational challenge for THH in terms of repairs and major works, and a reputational challenge with some residents. This has also been evidenced in some of the resident's responses to the Council's consultation on the Altair review and subsequent recommendations. There are also challenges for both THH and the Council in

the relationship between the two organisations, which would benefit from more clarity of delegations, roles and expectations, and from a better framework for strategic discussion and alignment between the Council and the ALMO.

### **3.6 Management Agreement**

3.6.1 The Management Agreement (MA) defines the relationship between the Council and THH which sets out the obligations of each party. Extending the duration of the existing MA puts THH onto a sound strategic and financial footing, enabling it to plan for the medium term, and to recruit and retain the staffing capacity appropriate to the purpose that the Council has set for it over that period.

3.6.2 The MA extension is therefore an opportunity for the Council to formally record the variations that have already emerged over the 12 years, particularly where THH has assumed direct responsibilities that were originally provided by the Council. This will also address the outcome of the Council's exploration of the scope for additional service transfer options from the Council to THH, in a limited number of areas including:

- New build, for example delivering new build homes on rooftops, and possible in-fill schemes within existing blocks (such as undercrofts and block extensions).
- Aspects of private sector management powers where these can help better resolve management problems on estates.
- Management of acquired temporary accommodation and possibly homes not owned by Tower Hamlets Homes.

3.6.3 Subject to the Mayor in Cabinet deciding on the future of THH, officers will revise the management agreement with THH to ensure that it is fit for purpose and strengthen the Council's governance arrangements accordingly.

### **3.7 Policy Context**

3.7.1 The decision of whether to extend the management agreement or to take an alternative approach is highly dependent on the local context. The proposed decision reflects the wider housing strategy of the borough, the nature of the local housing market and the need for councils to deliver services more efficiently.

3.7.2 An increasing number of councils are now seeing their ALMO as a flexible vehicle to deliver a wider range of services to local communities. This includes 30% of ALMOs now managing a total of 1,113 properties in the private rented sector, 36% of ALMOs providing services to tackle joblessness and 55% offering money advice. With the conclusion of Decent Homes funding, most Councils in London including Hackney, Lambeth, Hounslow, Brent, Newham, Hounslow, and Waltham Forest have taken the decision to bring their housing stock back into the Council's direct control.

3.7.3 However, a number of other authorities have extended their ALMO Management Agreements, typically for a period of five to ten years with some extending by up to 30 years. These include Barnet, Lewisham, Blackpool, Barnsley, Brent, Derby and Solihull. In addition, some local authorities have established brand new ALMOs including East Kent and Welwyn Hatfield. Cheltenham and Bassetlaw have extended their management agreements for 30 and 15 years respectively. A number of councils have transferred their stock to the ALMO for example Bolton and East Durham.

#### **4 CONSULTATION**

4.1 Council tenants and leaseholders were fully involved in the decision to set up THH, both as part of the options appraisal process and the consultation on the ALMO option itself. Although the consultation did not involve a full ballot, which is not a legal requirement, the Council was able to demonstrate clear support for the ALMO option.

4.2 A combination of consultation approaches have been adopted to consult with residents leading up to the proposed recommendation to extend the Management Agreement. Residents were extensively consulted as part of the options review conducted by Altair. The consultation with residents involved three focus groups, online and telephone surveys. 780 and 300 residents responded to the online and telephone surveys respectively. A comprehensive analysis of the outcome of the surveys is included in appendix1.

4.3 As part of finalising the proposals regarding the future of Tower Hamlets Homes, officers undertook further consultation with residents once the Mayor had considered the Altair report and indicated his preferred way forward. Section 105 of the Housing Act 1985 requires that the Council consults secure tenants who are likely to be affected by a matter of housing management. The consultation went further to include both tenants and leaseholders.

4.4 A letter was sent from the Mayor to all tenants and leaseholders (see appendix 3). This consultation ran for four weeks to 10<sup>th</sup> June 2019. The Mayor invited them to consider the findings and recommendations from Altair and to express their views on his preferred way forward.

4.5 A total of 197 residents responded by email or telephone, 85 leaseholders and 74 tenants. 38 residents did not identify their tenure type. The analysis of the views expressed by of both tenants and leaseholders is shown in tables 1 and 2 below.

Table 1

<b>TENANTS</b>		
<b>IEWS</b>		<b>%</b>
In favour	40	54%
Unclear	9	12%
Not in favour	25	34%
Total	74	100%

- 4.6 Of the 74 tenants expressing a clear view, 54% were in favour of the review recommendation to extend the Management Agreement with THH.

Table 2

LEASEHOLDERS		
VIEWS		%
In favour	25	30%
Unclear	15	17%
Not in favour	45	53%
Total	85	100%

- 4.7 Of the 85 leaseholders expressing a clear view 30% were in favour of the review recommendation to extend the Management Agreement with THH.
- 4.8 Tenants who raised concerns about existing services primarily identified the inconsistencies in the advice they receive from THH staff. Tenants also expressed dissatisfaction with the repairs service, the contractors' approaches, and resultant experiences. In contrast, leaseholders raised concerns around lack of clarity of service charge invoices, capital programme consultation and delivery, incremental services charges and insurance. Overall, there was positive recognition of improvements in the services THH provides by both tenants and leaseholders although management of ASB had mixed views. Residents also want THH to be held more accountable for service failures, and for the Council to scrutinise THH's performance further, and to engage further with residents. Detailed results from the consultation are appended at **Appendix 2**.

## **5. EQUALITIES IMPLICATIONS AND OTHER STATUTORY IMPLICATIONS**

### **5.1 Equalities**

- 5.1.1 There are no specific equalities implications arising from this report. The proposed eight years (to 2028) extension, with a possible break after four years (in 2024) of the Council's MA with THH will have no impact on the Council's Duties under the Equality Act 2010. Services to residents will remain the same as before. It is the Council's duty to ensure that THH deliver efficient and accessible services that meet the needs of all residents.

### **5.2 Best Value Implications,**

- 5.2.1 For THH to deliver successfully it will need to be run effectively and managed robustly by its own staff, with appropriate client managing by council officers. HRA business plan savings have been identified as part of the council's budget setting process and THH will continue to be responsible for completing delivery £6m of the HRA savings by 2021. THH should provide a value-for-money solution, by reducing management costs over time and enhancing performance in key areas such as capital programme delivery and contract

management. THH has already embarked on transforming its services under the transformational agenda.

### **5.3 Environmental (including air quality)**

There are no specific environmental implications arising from this report.

### **5.4 Risk Management**

- 5.4.1 Altair noted that the costs involved in a decision to continue the existing arrangements would be minimal hence this is the lowest risk option. A decision to revert to in house management would involve risks and costs associated with the reorganisation of the service and possible redundancies. A decision to make the ALMO thinner would be difficult as THH is already 'thin', therefore, it is not clear what services would be better placed being delivered by the Council. A decision to diversify the ALMO would require developing a detailed business case for each new or transferred service under consideration. On the other hand, extending the duration of the existing MA puts THH onto a sound strategic and financial footing, enabling it to plan for the medium term, and to recruit and retain the staffing capacity appropriate to the purpose that the Council has set for it over that period.

### **5.5 Crime Reduction**

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

### **5.6 Safeguarding**

There are no specific safeguarding implications arising from this report.

### **5.7 Data Protection / Privacy Impact Assessment.**

There are no specific GDPR implications arising from this report.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 The decision to extend the management agreement with Tower Hamlet Homes will not have any specific financial implications. Under the extended management agreement, Tower Hamlets Homes will continue to be paid an annual management fee as set out in the financial schedule of the agreement which will form part of the HRA budget setting process each year. All costs will be contained within the ring fenced Housing Revenue Account.
- 6.2 Funding for the transfer of any new services as part of this extension will need to be contained within existing budgets or further savings will need to be realised to prevent the HRA budget being in deficit.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has various statutory functions and obligations in respect of the provision of housing and associated services.
- 7.2 The Council is obligated under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is the Council's Best Value Duty. The Council must ensure that the provision of the services by its ALMO meets this duty.
- 7.3 The extension of the management agreement is considered to be a matter of housing management under S.105 of the housing Act 1985 and has rightly been consulted upon. DGLG guidance also considers it good practice to consult on extensions of management agreements. Before making a decision on the proposal to extend the Management Agreement, the Cabinet must conscientiously consider the outcome of the consultation exercise.
- 7.4 The Council is not restricted by Procurement Law in respect of any changes it may wish to make to the Management Agreement in order to formally record the variations referred to in paragraph 3.6.2. This is because THH Limited is a wholly owned subsidiary of the Council and services and the associated contract provided by THH Limited to the Council are exempted by virtue of Regulation 12 of the Public Contracts Regulations 2015.
- 7.5 The Council will also review the scheme of delegation to THH Limited to ensure that the appropriate functions and delegated powers in respect of those functions are transferred to THH Limited in order to carry out any amended scope of the Management Agreement.
- 7.6 The Council must continue with a robust system of monitoring the performance of THH Limited in order to demonstrate that the Management Agreement represents Best Value as referred to in paragraph 7.2 above.
- 7.7 When carrying out its functions, 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 do not (the public sector duty).
-

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

**Linked Report:** NONE

### **Appendices:**

Appendix 1 – Altair Strategic Review report

Appendix 2 – Consultation response summary

Appendix 3 – Mayor’s letter to residents

**Background Documents – NONE**

**Officer contact details for documents: John Kiwanuka Ext 2616**

This page is intentionally left blank

Altair

# London Borough of Tower Hamlets Strategic ALMO Options Review

Report

April 2019



# Contents

1   Executive Summary	4
2   Introduction	13
<b>Stage 1: Baseline Assessment</b>	<b>17</b>
3   Vision and Strategy	18
4   Performance	23
5   Value for Money	33
6   Stakeholder Views	42
7   Summary: THH as a Housing Manager	49
<b>Stage 2: Options Assessment</b>	<b>50</b>
8   Overview of Housing Management Approaches	51
9   Option 1: In-House Management	55
10   Option 2: Management Agreement Extension	63
11   Option 3: Extension with Fewer Services	65
12   Option 4: Extension with More Services	67
13   Option 5: Extension with Different Services	73
14   Summary: Review of Housing Management Models	74
15   Recommendations	76
Appendix 1   Documents Reviewed	80
Appendix 2   Benchmarking Comparators	81
Appendix 3   Case Studies: In-House Delivery	82
Appendix 4   Case Studies: 'Thin' ALMOs	86
Appendix 5   Case Studies: 'Diversified' ALMOs	88
Glossary	91

Our report is addressed to the Directors of London Borough of Tower Hamlets. We stress that our report is confidential and prepared for the addressees only. It should not be used, reproduced or circulated for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after full consideration of the circumstances at the time.

If the report is released to a third party without prior consent from Altair, we do not acknowledge any duty of care to the third party and do not accept liability for any reliance placed on the report.

## 1 | Executive Summary

### 1.1. Stage 1: Baseline Assessment

1.1.1. Tower Hamlets Homes (THH) was originally created in 2008 to secure funding to deliver the Council's Decent Homes Programme. This programme was completed in 2016, with the Arm's-Length Management Organisation's (ALMO's) original management agreement expiring in 2018. The decision was taken by the Council to extend the ALMO's management agreement by two years to July 2020.

1.1.2. Having confirmed the extension of the management agreement, London Borough of Tower Hamlets (LBTH) commissioned Altair to support it in exploring options for the delivery of its housing management services beyond 2020. The review was undertaken in two stages, consisting of a baseline assessment and an options review.

1.1.3. The purpose of the Baseline Assessment stage of the project was to review the current strategic, operational and financial context of LBTH and THH; and to assess the effectiveness of THH as a housing manager, considering its strengths and challenges. Our baseline assessment consisted of the following activities:

- Document review
- Face-to-face and telephone interviews
- Resident and councillor focus groups
- THH resident and board member surveys
- Performance benchmarking
- Value for Money and business plan assessment

1.1.4. Our Stage 1 findings have been grouped into four key themes:

- Vision and Strategy
- Performance
- Value for Money
- Stakeholder Views

#### Vision and Strategy

1.1.5. Transformation is a key feature in THH's 2018/19 Business Plan. The Business Plan includes reference to six significant business change projects or programmes. The extensive approach to business transformation is evidence of THH responding to the Council's desire to achieve a continuously improving housing service for residents.

1.1.6. The THH Business Plan presents transformation as the means of achieving what it describes as the 'management fee savings target' of £6m over five years, which has

been set by LBTH. However, there is some lack of clarity about whether the target refers to savings from THH's management fee or the HRA as a whole.

- 1.1.7. Strategic alignment between LBTH and THH is maintained through a framework of regular meetings at senior levels, including the Mayor's Housing Meetings, Quarterly Strategic Meetings and the attendance of senior LBTH officers at THH board meetings. We found that THH could make more explicit reporting of how its achievements align with the ambitions of the Council.

#### Performance

- 1.1.8. The performance metrics show that customer satisfaction is high across THH's services, indicating that in terms of the quality of service delivery, THH is performing well. This is supported by the strong (if relatively high-cost) Anti-Social Behaviour (ASB) resolution performance.
- 1.1.9. The proportion of THH housing stock which is non-decent is significantly higher than the average for its London local authority and ALMO peers. Consequently, THH has high capital expenditure per home. This is likely to be due to legacy issues with Decent Homes delivery.
- 1.1.10. Repairs performance appears mixed with a good average completion time, but with a high number of repairs per property, per year. This results in a high overall cost per property for repairs and void works. This may be due to the relatively high percentage of non-decent housing stock. The rate of repairs completed 'right first time' is also lower than comparator organisations but has significantly improved over recent years.
- 1.1.11. While THH performs comparatively very well in terms of managing voids to minimise void loss, its performance in rent collection is generally below average. However, the relatively poor performance in rent collection metrics is at least partly related to the Southwark ruling on water rates (where this is collected with rent). Until the situation is resolved, water rate arrears will obscure the true rent arrears performance. Leaseholder charge collection presents a mixed picture with day-to-day service charge collection being strong, but major works recharge collection representing an area that THH could improve.
- 1.1.12. Overall, benchmarking suggests that THH is a generally well-performing housing manager, as evidenced by good satisfaction, ASB and void management metrics. There is room for improvement in some areas such as income collection and repairs and it is encouraging that THH's performance across a number of metrics including 'right first time' repairs and satisfaction with major works, has improved over the last two to three years. THH is investing in its existing stock (delivering works of a greater value than planned), although it is still behind its peers for the percentage of non-decent housing stock.

#### Value for Money (VFM)

- 1.1.13. In terms of THH's cost performance, the high-level findings reflect mixed

performance on value for money - strong cost efficiency in the lettings function, but a high cost, high volume responsive repairs service. Benchmarking indicates a generally positive picture in terms of THH's current performance in providing VfM – costs are either broadly in line with its peer group or compare favourably.

- 1.1.14. There is scope to make improvements in a number of areas and there is evidence that some of these are being addressed (e.g. contract management resourcing). Some improvements (e.g. mobile working) are dependent on IT upgrades, the timing of which may be outside THH's control. Some costs (e.g. agency staff to fill vacant posts) are being carried pending service reviews to avoid the likely (higher) alternative costs of redundancies.
- 1.1.15. The 2017/18 management fee was a reduction on the previous year, reflecting £2.76m savings offset by a £1.33m allowance for growth items. This was to be the first year of a five-year programme delivering savings of £6m in total (£2m in 2017/18, and £1m p.a. thereafter). A further £1m saving in the total management fee was identified for 2018/19 despite additional resources for fire safety and Service Level Agreement increases.
- 1.1.16. We did not find evidence of substantial tracking of VfM cost Key Performance Indicator (KPI) data. While THH has been able to identify savings and has been carrying out service reviews across its functions, the lack of regular reporting of cost KPIs and/or cost benchmarking is an important gap in THH's strategic approach to achieving VfM.

#### Stakeholder Views

- 1.1.17. The current clienting and governance arrangements between LBTH and THH are generally effective. However, they are regarded by many stakeholders as lacking clarity and suffering from duplication of meetings (with the same attendees) and reporting. There is a common desire to have greater clarity and formalisation of roles, responsibilities, and delegations in the relationship between the ALMO and the Council.
- 1.1.18. The clienting relationship between LBTH and THH was characterised by LBTH staff that we spoke to as "arm's-length" and one in which THH are allowed to "get on with it" with Council intervention kept to a minimum. Some credited this approach to allowing THH to innovate and engage in transformation relatively free of the bureaucracy and politics of the Council. However, some saw this approach as leading to a relationship where LBTH is not as assertive or clear as they should be in their clienting of the ALMO.
- 1.1.19. From the evidence which we have gathered and the interviews and focus groups which we have undertaken, there appears to be a tension between THH's desire to act independently in many regards and an understandable desire within LBTH to have greater control over the ALMO. Greater clarity in LBTH's expectations of the ALMO and a common vision for the relationship with the ALMO would benefit both organisations.

- 1.1.20. Residents expressed positive feedback for caretaking and fire safety and acknowledged progress that was being made with regards to ASB. Residents saw major works and management of contractors as particular areas for improvement for THH. This is consistent with the views of some LBTH officers and ALMO board members. Communication was identified as a key area for improvement in resident focus groups. Residents felt that communication between teams within THH, with the Council, and with residents should be improved.
- 1.1.21. We found the perception of some residents to be significantly influenced by historic experiences, that in many cases had occurred several years ago. Historic and legacy issues with Decent Homes works featured prominently in our discussions with residents and were a source of frustration and disappointment for several residents we spoke with.
- 1.1.22. Councillors we spoke to were positive about THH's record on community development and engagement. Councillors also praised the ALMO's approach to tackling ASB. However, THH's capital works delivery was identified as being a source of concern for some of the Councillors who attended our focus group.

### Summary

- 1.1.23. Overall, our assessment is that THH is a generally well-performing housing manager in terms of both housing management performance and cost. There is room for improvement in some key areas of service delivery but evidence of performance improvements over recent years and an extensive transformation programme currently being delivered are positive.
- 1.1.24. THH continues to operate under the legacy of a troubled delivery of Decent Homes, which is likely to remain an operational challenge for THH in terms of repairs and major works, and a reputational challenge with some residents. There are also challenges for both THH and LBTH in the relationship between the two organisations, which would benefit from more clarity of delegations, roles and expectations, and from a better framework for strategic discussion and alignment between the Council and the ALMO.
- 1.1.25. We found no performance or financial imperative to significantly change the housing management arrangements for the LBTH stock currently managed by THH.

## 1.2. Stage 2: Options Assessment

1.2.1. The purpose of the Options Assessment stage of the project was to develop a series of options to enable London Borough of Tower Hamlets (LBTH) to consider how it might deliver housing management in the future. We outlined five options for consideration by the Council:

- In-House Management
- Management Agreement Extension
- Extension with Fewer Services
- Extension with More Services
- Extension with a Different Mix of Services

### The ALMO Model

1.2.2. The Decent Homes programme of the 2000s saw the introduction of Arm's Length Management Organisations (ALMOs). At their peak in 2009/10 there were 70 ALMOs managing approximately 1 million homes. Since then, this number has reduced by more than half to 31, with the trend to bring services back in-house under direct council management strongest in London, where at present there are only 5 ALMOs.

1.2.3. Periodic reviews of ALMOs at appropriate contract break points may be a trigger for bringing an ALMO in-house, although some authorities have taken the opportunity to retain or expand their ALMO at these points. Anecdotal evidence suggests that while perceived poor performance may be a catalyst for bringing services in house, political will and the relationship between the Council and the ALMO are also a factor.

### The Options

1.2.4. The options were reviewed, taking account of LBTH's context and THH's performance and assessed against suitability, feasibility and acceptability criteria.

### Option 1: In-house Management

1.2.5. For LBTH and Tower Hamlets Homes (THH) the in-house management option, whereby THH would transfer into the Council represents the most significant change from the status quo. The housing management service would be transferred to the Council when the current management agreement ends in July 2020.

1.2.6. Key considerations for this option included:

- The Council separately already has plans to bring refuse collection in-house in 2020 and the transformation programme ongoing to 2022 will be in progress, which presents a risk that the Council will have two significant change projects occurring within a similar timeframe and may not have sufficient capacity for

transfer of the housing management services undertaken in 2020. Even without these other change activities, 2020 may be too challenging a target date for bringing the ALMO in-house, given the necessary preparation and processes to successfully transfer the service.

- If LBTH were minded to bring the ALMO in-house, it may be more suitable to do so following the move to the new Civic Centre in 2022 and the associated integration of some LBTH and THH back-office systems and processes.
- Key areas where savings are usually made in transferring an ALMO in-house are staff, facilities, and governance. Due to the sharing of facilities already planned at the Whitechapel Civic Centre, potential savings are significantly reduced in the case of LBTH and THH. It is also worth noting that savings can easily be offset by poor performance, if the transfer causes any performance weaknesses (for example due to loss of staff, or operational challenges).
- Bringing the ALMO in-house may encourage closer working between housing and other council departments and may help to ensure delivery of LBTH's strategic objectives through having direct control of the housing management function.
- However, the transfer would be costly, and moving away from the ALMO model of service delivery for housing management typically dilutes a cultural and organisational focus on housing (including the loss of a dedicated board).

### Option 2: Management Agreement Extension

1.2.7. This option represents a continuation of the status quo that would result from an extension of the existing management agreement. As such, there are limited financial or legal implications.

1.2.8. Key considerations included:

- The status quo option enables THH to continue to build on its established brand, and the ongoing work delivering against cost reduction targets set by LBTH. However, compared to expanding the portfolio of services delivered by the ALMO this option may not make the most of opportunities to generate 'added value' for LBTH.
- There is also a need to review the client management arrangement to ensure that it is effective going forward.

### Option 3: Extension with Fewer Services

1.2.9. This option would involve extending the management agreement for THH but varying the terms so that some services / functions would transfer from THH to LBTH.

1.2.10. Key considerations included:

- Following the Council's transformation plan, LBTH may feel that some high-performing Council functions could more effectively and efficiently deliver services either to, or instead of, THH. However, we note that there are no current plans to transfer any THH functions to the Council and based on our findings in Stage One of this report, it is not clear that there are any service areas which are strong candidates for transfer from THH to LBTH.
- A partial transfer of services risks splitting management functions, potentially creating friction between related functions, and may create duplication rather than efficiencies, as well as leading to a lack of clarity over roles and responsibilities. However, it may provide an opportunity to realise economies of scale in some Council functions.

#### Option 4: Extension with More Services

- 1.2.11. This option would involve extending the management agreement for THH but varying the terms so that some services / functions would transfer into the ALMO from LBTH. This would mean that THH would become 'diversified' with a wider service offering.
- 1.2.12. Key considerations included:
- Typical services delivered by diversified ALMOs include those previously delivered by the Local Authority, such as homelessness and housing options (Barnet Homes), new-build housing development (Stockport Homes) and even street cleaning (South Tyneside Homes). Services may also be provided to third parties such as private sector lettings, or the delivery of market rent housing.
  - An expanded ALMO may be able to deliver efficiencies of scale, and potentially generate income to cross-subsidise the General Fund.
  - However, were THH to expand its service offer there would likely be the need for greater clienting from the Council. It may also lead to an operational distance and lack of control over service delivery.

#### Option 5: Extension with Different Services

- 1.2.13. Under this option THH would gain some additional service areas, either from the Council or through creating new commercial activities, but simultaneously some activities would move from THH to the Council.
- 1.2.14. This option is therefore an amalgamation of Options 3 and 4, and the risks and implications described above would apply to it.

#### Summary: Review of Housing Management Models

- 1.2.15. Stage 1 of this review found that there is no performance or financial imperative to bring the housing service, currently delivered by THH, in-house. However, equally given the limited scope of THH's current offer there may not be a compelling reason

to retain the ALMO indefinitely.

- 1.2.16. Given the other activity being undertaken in 2020 relating to refuse collection and transformation, transferring the ALMO at this time, when its current management agreement ends, may create additional risk to the successful delivery of a transfer. Even without these other change activities, 2020 may be too challenging a target date for bringing the ALMO in-house.
- 1.2.17. Overall, retaining THH (Option 2) scores the highest in our options assessment. However, this scoring is based on the assumption that THH continues to deliver for the Council and achieve costs savings against the targets set by LBTH, that resident satisfaction and other performance is either maintained or continues to improve.

### 1.3. Recommendations

- 1.3.1. Based on the findings of the Stage 1 report and our analysis in this Stage 2 report, we make a series of recommendations to be taken forward were each option to be implemented. Regardless of which option LBTH chooses to take forward a detailed business case should be developed which considers the financial case for the change (or status quo) and considers risks and mitigations.
- 1.3.2. If LBTH implements any of the options in which the management agreement is extended, LBTH should consider the role of the clienting function within LBTH, ensuring it has clarity over its role and priorities.
- 1.3.3. Recommendations for LBTH and THH arising from Stage 1 (some of which will only apply if THH is retained) are listed below:
- The Council should clarify to THH its expectations regarding the ALMO's savings targets
  - THH should be more explicit reporting of how THH's achievements align with the ambitions of the Council
  - THH should continue to target higher leaseholder satisfaction, given the large proportion of leaseholders in their resident body (approximately 45%)
  - THH should note the common feedback from both residents and LBTH about the quality of major works and contract management and seek to make improvements as necessary
  - THH should consider investment in income collection functions, in the context of the service review of the rent collection function undertaken in summer 2018 (the recommendations of which have not yet been implemented) and to improve major work recharge collection rates
  - THH should implement regular reporting of cost KPIs and/or cost benchmarking to support the ALMO in achieving VfM

- LBTH should consider the purpose of the various bodies in the THH governance/ engagement structure to ensure that the division of responsibilities, delegations and terms for each are clear and fit for purpose
- LBTH and THH should work together to formally clarify their respective roles (including the levels of delegation and authority) in order to reduce duplication of meetings, papers etc. between the two organisations
- LBTH and THH should work together to provide clarity over the Council's expectations of the ALMO
- Consideration should be given to how best to improve communication between teams within THH, between THH and the Council, and between both of these bodies and residents

1.3.4. The key recommendations for LBTH for each option assessed as part of Stage 2 are summarised in the table below.

In-House Management	<ul style="list-style-type: none"> <li>▪ Consider how to address resourcing the transfer</li> <li>▪ Rationalise the senior management structure at THH, and consider the wider staff structure</li> <li>▪ Undertake detailed work to estimate potential savings, and put in place mitigation strategies for identified risks</li> <li>▪ Consider how LBTH can measure and report on the impact on both services and costs of the transfer</li> <li>▪ Undertake consultation with stakeholders, and develop an appropriate communication strategy</li> <li>▪ Give consideration to successor resident engagement and scrutiny bodies</li> <li>▪ Consider the future role of the current clienting function</li> </ul>
Management agreement extension	<ul style="list-style-type: none"> <li>▪ Consider whether to extend the existing savings targets</li> <li>▪ Review services, cost and performance</li> <li>▪ Undertake negotiations to extend the agreement</li> <li>▪ Communicate the decision to relevant stakeholders</li> </ul>
Extension with fewer services	<ul style="list-style-type: none"> <li>▪ Consider which services should be transferred from the ALMO</li> <li>▪ Assess how the management fee should be changed to reflect the reduced scope of services</li> <li>▪ Assess the wider financial impacts of bringing some services in house</li> <li>▪ Communicate the decisions to stakeholders, ensuring clarity about the revised split of services and responsibilities</li> </ul>
Extension with more services	<ul style="list-style-type: none"> <li>▪ Explore the potential for additional service delivery to third parties</li> <li>▪ Consider how additional service delivery may impact on the management fee</li> <li>▪ Assess the wider financial implications of services being transferred to the ALMO</li> <li>▪ Direct THH to develop individual business cases for each service area to be transferred</li> <li>▪ Ensure that legal requirements such as EU procurement regulation and the Teckal exemption are addressed</li> <li>▪ Work with THH to support the ALMO to produce updated Articles of Association which reflect the new service delivery position</li> <li>▪ Develop a joint communication strategy with THH to notify those affected by the changes.</li> </ul>

## 2 | Introduction

### 2.1. Tower Hamlets context

#### Demography

- 2.1.1. The population of Tower Hamlets is young and diverse, with residents of over two hundred different nationalities and the lowest percentage of over-65s of any UK borough<sup>1</sup>. The borough is facing a range of demographic challenges including significant income disparity. While the average salary of the borough is the second-highest in the UK, Tower Hamlets has the highest rate of pensioner poverty in England at 50% (versus a national average of 16%) and also the highest rate of child poverty (31% versus a national average of 17%). Overall, it is estimated that around four in ten householders in Tower Hamlets are living below the poverty line, the highest rate across all local authorities (LAs) in England and Wales.
- 2.1.2. Healthy life expectancy rates are lower than the London and England averages, and are particularly low for women. The borough also has a higher rate of preventable or premature deaths than the London or England averages, and has the highest infant mortality rate in London. This reflects the relatively high levels of deprivation in the borough.

#### Housing

- 2.1.3. Tower Hamlets is the fastest-growing borough in London, both in terms of its housing stock and population. The borough is growing by over 3,000 homes per year, resulting in a 27% increase in housing stock since 2003 and a total of 124,000 homes in Tower Hamlets<sup>2</sup>. In addition, the borough has experienced the fastest population growth in the country since the turn of the millennium; its current population of approximately 317,200 is expected to reach almost 365,000 by 2026. Population growth has outpaced housing stock growth, contributing to a housing waiting list of approximately 19,000 households, the second-largest in London.
- 2.1.4. Approximately 30,000 of the homes in Tower Hamlets are managed by housing associations; over 45 operate in the borough, including members of the G15, group of London's largest housing associations, such as Clarion, A2Dominion and Peabody. The social housing stock in the borough is dispersed across several different providers. The table below shows those housing associations that own or manage over 1,000 social homes in Tower Hamlets.

---

<sup>1</sup> [https://www.towerhamlets.gov.uk/ignl/community\\_and\\_living/borough\\_statistics/Borough\\_profile.aspx](https://www.towerhamlets.gov.uk/ignl/community_and_living/borough_statistics/Borough_profile.aspx)

<sup>2</sup> LB Tower Hamlets 2016-21 Housing Strategy

**Other social housing providers with a significant number of homes in Tower Hamlets**

HAs (with >1,000 units) in Tower Hamlets	Social units in Tower Hamlets
Poplar HARCA Limited	5,840
Old Ford Housing Association Limited	3,341
One Housing Group Limited	3,321
Gateway Housing Association	2,637
East End Homes Limited	2,254
Tower Hamlets Community Housing Limited	2,077
East Thames Limited	1,943
Swan Housing Association Limited	1,774
Notting Hill Genesis Housing Association Limited	1,648
Southern Housing Group Limited	1,450
Peabody Trust	1,353

**2.2. Tower Hamlets Homes**

- 2.2.1. LBTH has delegated the management of 21,000 homes of council-owned stock (comprising social rented homes and former right-to-buy leaseholder homes) to its arms-length management organisation (ALMO), Tower Hamlets Homes (THH). LBTH also transferred some council-owned homes to housing associations in the borough including Tower Hamlets Community Housing and East End Homes.
- 2.2.2. Prior to this, the Council delivered housing services itself, receiving 3-star ratings from the Audit Commission in relation to its housing provision immediately prior to the establishment of THH<sup>3</sup>.
- 2.2.3. THH was originally created in 2008 to secure funding to deliver the Council's Decent Homes Programme. This programme was completed in 2016, with the ALMO's original management agreement expiring in 2018. The ALMO is 100% owned by the Council and provides a range of services to Council tenants and leaseholders including:
- Rent and service charge collection
  - Complaints handling
  - Major works, planned and cyclical maintenance
  - Caretaking and gardening

---

<sup>3</sup> Audit Commission (2009), *Annual Audit and Inspection Letter, London Borough of Tower Hamlets, Audit 2007/08*

- Anti-social behaviour (ASB) case handling
- Housing and tenancy management services
- Leasehold services

2.2.4. In 2016 the decision was taken by the Council to extend the ALMO's management agreement by a further two years to July 2020.

### 2.3. Objective of the review and our approach

2.3.1. Having confirmed the extension of the ALMO, LBTH is now looking to explore options for the delivery of its housing management services beyond 2020, with the long-term strategic objective of providing the best possible and continuously improving housing service to residents, securing fire safety, maintaining and improving the Council's physical assets, and enhancing the Council's reputation.

2.3.2. LBTH has specified that there is no intention to explore potential changes in ownership or the creation of a new entity as part of this review (for example, undertaking a stock transfer or establishing a Registered Provider (RP)). This review has been commissioned to consider three possible options for the delivery of housing management services post-2020:

- Bring all THH services back in-house from 2020
- Extend the existing THH Management Agreement
- Extend the existing THH Management Agreement and shift services between LBTH and THH

2.3.3. Altair has been commissioned to undertake this review of options.

2.3.4. To undertake this review, we gathered information from a range of sources including:

- Document review – we reviewed a wide and extensive range of Council and ALMO documents, to develop a strong initial understanding of THH's business, its current performance and its strategic and operational context. A full list of the documents which we reviewed is available at Appendix A.
- Interviews – A total of 13 interviews were undertaken with a wide range of key stakeholders including THH staff, THH partner organisations, Council staff and councillors. The purpose of these interviews was to flesh out our baseline assessment with the qualitative views of a range of key stakeholders, enabling us to validate our initial findings.
- Focus groups – we facilitated several focus groups: three with residents (including a representative mix of tenants and leaseholders) and one with councillors. The purpose of these focus groups was to seek views on the strengths and weaknesses of current housing management arrangements, and to explore their views on opportunities and risks for the future of the management of LBTH housing stock.

- Surveys – we surveyed THH residents to engage and consult a large number of people on their views on THH as a housing manager. This enabled us to capture different viewpoints on the organisation. The online survey was administered by Altair and publicised by THH and was completed by over 780 people. The telephone survey was administered by Kwest who contacted 300 residents to participate in the survey. We also conducted a survey of THH board members.
- Business Plan analysis – We undertook an analysis of the Housing Revenue Account (HRA) Business Plan, and THH’s financial performance. This work had a particular focus on Value for Money (VfM) and identified areas of strong performance, as well as where improvements in efficiency could be achieved.
- Performance benchmarking – We used HouseMark benchmarking data to consider the comparative performance of THH across the business as well as reviewing THH data to understand trends in performance over recent years.
- Case study review – We developed case studies which exemplify the different housing management options under consideration by the Council. This helps to provide context to the options and provide information on the impact of each approach.

2.3.5. Stage 1 of this review provides an assessment of Tower Hamlets Homes as a housing manager, including reference to housing management performance, stakeholder views, financial performance, and alignment of the strategic objectives between LBTH and THH. Stage 2 of this review draws on the information from Stage 1 in order to inform an assessment of each of the options identified by the Council and listed in 2.3.2 above.

## Stage 1: Baseline Assessment

2.3.6. The purpose of this stage of the project was to review the current strategic, operational and financial context of LBTH and THH; and to assess the effectiveness of THH as a housing manager, considering its strengths and challenges. Our baseline assessment consisted of the following activities:

- Document review
- Face-to-face and telephone interviews
- Resident and councillor focus groups
- THH resident and board member surveys
- Performance benchmarking
- Value for Money and business plan assessment

2.3.7. Our Stage 1 findings have been grouped into four key themes:

- Vision and Strategy
- Performance
- Value for Money
- Stakeholder views

2.3.8. Each of these themes is explored in further detail in the following chapters.

## 3 | Vision and Strategy

### 3.1. Introduction

- 3.1.1. THH has a three-year business plan, 'Working Together', which sets out the organisation's corporate priorities for 2016-19. THH refreshes the business plan annually, the current business plan being the third and final year of the 'Working Together' plan. THH's annual business plans are supported by a suite of other corporate strategies including a People Strategy, Digital Strategy, Transformation Programme, and a joint Asset Management Strategy with LBTH.
- 3.1.2. These documents were reviewed alongside the Council's relevant strategies (namely its 2016-21 Housing Strategy) and the management agreement with LBTH, alongside other evidence gathered through activities undertaken in the baseline review.

### 3.2. Key Priorities

- 3.2.1. THH's Business Plan sets out the organisation's strategic priorities under three overarching objectives to:
  - Deliver Organisational Excellence
  - Maintain Homes and Neighbourhoods to be Proud of
  - Provide Excellent Customer Service
- 3.2.2. Under 'Deliver Organisational Excellence' THH targets a collection of eight further strategic objectives. These are largely focused on transformation (of processes, IT systems, digital access, and customer data), improving performance in areas with room for improvement (namely right first-time repairs and rent and service charge collection), and improving HR and people practices (providing better guidance, staff developments, and performance management).
- 3.2.3. To 'Maintain Homes and Neighbourhoods to be Proud of', THH has objectives covering maintaining up to date fire risk assessments, maintaining cleaner neighbourhoods, tackling ASB, and managing contractors more effectively to reduce complaints and improve right first-time rates.
- 3.2.4. To 'Provide Excellent Customer Service', THH has objectives to clarify and enforce rights and responsibilities between the ALMO and its residents, to expand their offer to provide a 'new deal' for leaseholders, and work with partners to assist vulnerable residents to remain in their homes.
- 3.2.5. In pursuit of these objectives, THH has a Service Improvement Plan (SIP). In 2017/18 the SIP comprised of activities across seven different projects/initiatives. Key activities included the establishment of a new performance appraisal process and a talent management scheme (People Strategy); completion of some outstanding 2016/17 Decent Homes works and procurement of fire risk works

(Capital Works); ASB team restructure and contracting of ASB partners (ASB improvement); and the introduction of online services for leaseholders and review of Neighbourhood Team as part of the Transformation Programme (New Deal for Leaseholders).

- 3.2.6. The service areas targeted for improvement in 2018/19 are Better Neighbourhoods and Safer Homes (fire safety), Neighbourhood Improvement (curtilage works), and Welfare Reform (support for residents affected by welfare reform).

### 3.3. Transformation

- 3.3.1. Transformation and change are key features in the 2018/19 Business Plan. The Business Plan presents transformation as the means of achieving what it describes as the 'management fee savings target' of £6m over five-years, that has been set by LBTH. The savings are to be £2m in 2017/18 and a further £1m each year for the following four years. This savings target represents a reduction in THH's management fee of approximately 20%.
- 3.3.2. However, the cabinet report of December 2016 which recommended the extension of THH's management agreement to 2020, states that the target of £6m over five-years refers to savings from the Housing Revenue Account (HRA). The HRA has a gross annual expenditure of around £80m, out of which THH is responsible for its Management Fee (£31m), a further £6m for service level agreements (SLAs) for services from the Council, as well as delegated budgets of around £32m.
- 3.3.3. THH is delivering savings to delegated budgets and SLAs, counter to the expectations of some LBTH stakeholders. Lack of clarity about whether the savings are targeted as a reduction to THH's management fee or HRA expenditure as a whole, has the potential to cause issues between LBTH and THH if not resolved. For the benefit of all stakeholders, not least THH, the Council should be clear about its expectations regarding THH's VfM objectives. This target is explored further in Section 4 below.
- 3.3.4. THH recognise that delivering services on a smaller budget requires significant transformation. As such, THH has developed a number of service transformation programme and strategies. The Business Plan includes reference to no fewer than six significant business change projects or programmes, each with its own programme board. Many of these programmes have been active for the last year or two, some were started in this financial year.
- 3.3.5. The Business Transformation Programme has seen new structures implemented in 2017/18 for business support functions such as finance, communications and HR, as well as some service delivery functions such as ASB, repairs, and neighbourhood management.
- 3.3.6. Whilst the bulk of the structural changes are complete, further projects that include structure reviews are underway for leasehold services, environmental services, and rental income collection. A further review of the staffing structure of THH's ICT function is also planned for 2019.

- 3.3.7. THH has developed a Digital Strategy to digitalise its services, including through a new online portal, MyTHH. The digital strategy also includes developing a mobile working solution and improving the systems used by the contact centre to handle repairs reporting / scheduling.
- 3.3.8. Since launching in May 2017, over 3,400 residents have registered for MyTHH which enables residents to view rent and service charge statements, report repairs, changes to tenancy such as giving notice on a tenancy or license agreement and requesting changes to or from joint tenancies, and log requests for issues such as bulk rubbish. THH states that the most popular services on MyTHH are My Rent Account, My Details, My Repairs and My Leasehold Account. The popularity of these online services is likely to be an important contributing factor to the significant reduction of in-bound calls to THH that relate to those service areas. Between 2017/18 and 2018/19, THH has seen a reduction of inbound calls related to balance / statement requests of between 80-90% and a reduction of between 93-98% in the number of calls to make leasehold or rent payments.
- 3.3.9. THH also has a Customer Access and Experience Programme which seeks to redesign processes with a view to improving them and moving them online where possible. The first phase of the Programme is being delivered over the course of 2018/19. This phase includes communal and responsive repairs, parking, and ASB services.

#### 3.4. Community investment

- 3.4.1. In addition to 'core' landlord functions set out above in paragraph 1.2.3, THH also provides services designed to improve the health, financial, and employment outcomes of its residents. Since 2016, THH has had a Community Investment Strategy which targets the following objectives:
- Create safer neighbourhoods
  - Increase financial resilience
  - Support mental wellbeing and vulnerability
  - Build resilient and cohesive communities
- 3.4.2. In pursuit of these objectives, THH has established partnerships with: Streets of Growth, a youth charity who engage high risk young people and positively influence their lives through targeted intervention; training provider Go Train, to deliver an employability programme; and a number of local organisations to train local women in childcare for employment as childminders or in local nurseries. Feedback from external partners is provided in Section 6 of this report.

#### 3.5. Alignment with the Council

- 3.5.1. LBTH is currently delivering its 2016 – 2021 Housing Strategy. This strategy is based around four key delivery themes:

1. **Delivering affordable housing, economic growth and regeneration** – including maximising affordable home building, completing a full capacity study of council-owned land, and setting up a housing company to deliver new homes both inside and outside of the borough.
  2. **Meeting people’s housing needs** – including refreshing the Council’s Homelessness Statement into an aligned Homelessness Strategy, contributing to the development of a Corporate Ageing Well Strategy, and ensuring that young people’s housing needs are fairly reflected in the development of housing allocation and homelessness policies.
  3. **Raising private rented housing standards** – including reviewing selective/additional licensing schemes for the private rented sector, developing enhanced support for landlords, and developing and implemented a resident and stakeholder engagement programme to promote the rights of private tenants.
  4. **Effective partnership working with residents and stakeholders** – including developing more effective working with Registered Providers (RPs) operating in the borough, neighbouring authorities, and private and third sector partners.
- 3.5.2. Both the Council’s Housing Strategy and the Tower Hamlets Partnership Community Plan (2015) are explicitly referenced in THH’s 2018/19 Business Plan. The Business Plan states that “so far we have made a major contribution to assuring the Council meets its commitments to achieving Decent Homes and improving neighbourhoods.” However, no evidence of how THH has directly supported the Council’s objectives is provided in the Business Plan document. Given that the Business Plan is titled ‘Working Together’, the document would benefit from the inclusion of more explicit reporting of how THH’s achievements align with the ambitions of the Council.
- 3.5.3. Despite the relative lack of evidence presented in the 2018/19 Business Plan, we are aware that strategic alignment between LBTH and THH is maintained through a framework of regular meetings at senior levels (including the Mayor’s Housing Meetings, Quarterly Strategic Meetings and the attendance of senior LBTH officers at THH board meetings).
- 3.5.4. The THH Board includes four councillors, four residents, and four independents, as is typical for ALMOs. The Board is occasionally attended by LBTH’s Divisional Director for Housing and Regeneration and the THH Chair meets with the Mayor and the Lead Member for Housing, at the quarterly Mayor’s Housing Meetings.
- 3.5.5. The THH 2018/19 Business Plan states that the ALMO has more to offer the Council but does not elucidate what that offer might include. We understand that THH is in the process of developing an offer to the Council which includes the delivery of additional services, some of which are currently delivered by LBTH. Discussion about the transfer of services between the Council and THH are explored further in Part Two of this report.

### 3.6. Key findings

- 3.6.1. There is lack of clarity about whether THH savings targets are intended as a reduction to THH's management fee or HRA expenditure as a whole. This confusion of expectations has the potential to cause issues between LBTH and THH if not resolved.
- 3.6.2. Strategic alignment between LBTH and THH is maintained through a framework of regular meetings at senior levels, including the Mayor's Housing Meetings, Quarterly Strategic Meetings and the attendance of senior LBTH officers at THH board meetings.
- 3.6.3. Both LBTH's Housing Strategy and the Tower Hamlets Partnership Community Plan (2015) are explicitly referenced in THH's 2018/19 Business Plan. However, the document would benefit from the inclusion of more explicit reporting of how THH's achievements align with the ambitions of the Council.

## 4 | Performance

### 4.1. Introduction

4.1.1. In this section we use benchmarking data to better understand the relative performance of THH. For most housing providers, the key performance areas are:

- Net income collection
- Quality of service delivery
- Investment (either in improvements, or new business / growth)

4.1.2. We have structured this section according to these broad categories.

4.1.3. While benchmarking is a useful tool in understanding how well an organisation is performing, it is important to recognise its limitations. While the peer group comparators have been chosen for their similarity to THH, (i.e. they are all London ALMOs / LAs, or they all operate in Tower Hamlets), there may be other factors driving relatively good or poor performance (e.g. the age and type of stock managed, the level of need of customers and the geographic dispersal of stock are all factors in performance).

4.1.4. Therefore, when interpreting benchmarking information, we have been mindful of factors that may cause variation in performance. Rather than focussing on small variations in performance that may be accounted for by limitations in benchmarking, we have identified key trends within the data.

4.1.5. We have used four sources of data in undertaking the review of THH's performance. To give as accurate a view of current performance as possible we have used the most recent available data, and for all performance information have clearly specified the financial year to which it relates:

- THH's KPI performance reports provided to the ALMO board (Business Critical Indicators); with reference to the year end 17/18 results, and the June 2018 report.
- THH's HouseMark benchmarking schedules for 2017/18 (which include a benchmark group of 19 London Local Authorities' and ALMOs)
- Analysis of the Local Authority Housing Statistics (LAHS) 2016/17 for all London Boroughs
- Analysis of information provided in the Global Accounts 2016/17 for eight RPs with more than 1,000 units located in Tower Hamlets

4.1.6. These benchmarking groups have been chosen as they offer a good comparison to THH, based on their size and geography. The list of comparator organisations used for this benchmarking exercise can be found in Appendix B.

4.1.7. In addition to performance data, we have included, where relevant, the views of

stakeholders that we received in focus groups and interviews.

## 4.2. Quality of Service Delivery

4.2.1. The quality of the customer experience is key to THH as a provider of social housing, and as an organisation delivering a service on behalf of the Council. There are a number of ways to measure the quality of the customer experience; these include satisfaction measures, delivery timescales, 'right first time' approaches, and the experience of customer facing interactions.

### Satisfaction

4.2.2. Customer satisfaction is a key way of understanding the quality of a provider's housing offer and the experience of its residents. The table below provides information about THH's satisfaction scores across the available data:

	Tower Hamlets Homes BCI Report and HouseMark (17/18)			HouseMark LA and ALMO Comparator (17/18)			
	Performance	Rank (of 11)	Target	UQ <sup>4</sup>	M <sup>5</sup>	LQ <sup>6</sup>	
Percentage of issues resolved at first point of contact	92.30%		70%				
Percentage of residents agreeing with the statement 'THH does what it says it will do'	79%		80%				
Overall Satisfaction: Residents	82%		82%				
Overall Satisfaction: Tenants	87%	Q1	UNK	76.03	73.55	66.98	●
Overall Satisfaction: Leaseholders	70%		68%				

4.2.3. While there are only benchmarks for one area of customer satisfaction, in this area (overall satisfaction amongst tenants) THH performs significantly better than peers. The results show high overall satisfaction for tenants when compared to other London local authorities and ALMOs. In terms of resolving issues at first point of contact, where failures can be a key driver of complaints, THH achieved a very strong result of 92.30% in 2017/18. THH has high targets which suggest that it and the LBTH client team place significant value in resident satisfaction.

4.2.4. Satisfaction amongst leaseholders, at 70%, is considerably lower than tenant satisfaction at 87%. It is not uncommon for leaseholder satisfaction to be lower than

<sup>4</sup> Upper Quartile

<sup>5</sup> Median

<sup>6</sup> Lower Quartile

tenant satisfaction. This is a phenomenon that many London local authorities and ALMOs experience and is reflected in the lower target set by the Council for leaseholder satisfaction.

- 4.2.5. THH recognises that leaseholder satisfaction is an issue for the organisation and has included a number of measures in their transformation plans to address common leaseholder concerns, including notification of planned works and payment options. THH should continue to target higher leaseholder satisfaction, given the large proportion of leaseholders in their resident body (approximately 45%).

### Repairs, Maintenance and Major Works

- 4.2.6. How THH performs in managing the property assets on behalf of the Council is key to the long-term value of the stock and is often the most important factor in the experience of residents. The table below shows how THH performs across several repairs, maintenance and capital works measures.

	Tower Hamlets Homes BCI Report and HouseMark (17/18)			HouseMark LA and ALMO Comparator (17/18)				
	Performance		Rank (of 19)	Target	UQ	M	LQ	
<b>Total repairs avg per property</b>	6.15	Q4	19		3.14	3.73	4.62	●
<b>Average completion time (days)</b>	6.21	Q2	6		5.69	7.35	10.69	●
<b>Repairs % completed at first visit</b>	85.90	Q3	11		95.50	88.90	85.45	●
<b>Satisfaction with Repairs Service (%)</b>	91.70%	Q2	5	n/a				
<b>Average cost of a responsive repair (£)</b>	131.81	Q2	6		127.86	137.49	156.94	●
<b>Total Cost Per Property (CPP) of responsive repairs &amp; void works (£)</b>	1,328.29	Q3	15		841.88	998.86	1,329.37	●
<b>Major Works Programme Delivery (%)</b>	102%			85%				
<b>% of residents rating capital works as excellent, good or fair</b>	96%			75%				
<b>Satisfaction with Caretaking (%)</b>	85%			85%				

- 4.2.7. The performance metrics show that THH performs well across satisfaction measures for repairs, major works and caretaking. Repairs completion times are also above median for the local authority and ALMO peer group.

- 4.2.8. However, the average number of repairs per property is the highest in the group. The high number of repairs per property may be due to a lower threshold for repairs ordering, and/or difficulties with the quality of the stock. Given the high rate of non-decency (as discussed in section 3.5 below), the poor condition of some housing stock will likely be a key influencing factor on the number of repairs per property. Testimonies from THH repairs staff explain that where capital works are delivered,

there is a notable decrease in the volume (and cost) of repairs.

- 4.2.9. THH performs below the median for the number of repairs completed at the first visit. Multiple visits to resolve an issue will increase completion times and costs, and THH should consider how it can improve performance in 'right first time' repairs. However, it should be noted that THH's performance of 86% 'right first time' for 2017/18 represents a significant improvement over the previous two years, during which time the rate has increased from 77%. The cost of responsive repairs is considered further in Section 4, paragraph 5.4.7 – 5.4.11 below.
- 4.2.10. In the table above, we have used the % of residents rating capital works as excellent, good or fair, from THH's board reports<sup>7</sup>. THH's performance in this metric has improved over the two years to 2017/18 from 77% to 96%.
- 4.2.11. The high percentage of residents rating capital works as fair, good, or excellent appears to be at odds with our findings from the residents' survey and focus groups which identified major works as an area requiring improvement. However, these perceptions are likely to be influenced by historic incidents of poor performance.
- 4.2.12. Similarly, LBTH stakeholders we spoke to expressed concern about the quality of major works and asset management in general. However, it is our understanding from both residents and LBTH stakeholders that the percentage of non-decent homes (which remains at over 10%) is an influencing factor in their view of THH's major works performance.
- 4.2.13. Both residents and stakeholders in LBTH also felt that part of the issues they perceive with THH's major works performance relate to procurement and management of contractors. THH staff described the organisation as being 'on a journey' and referred to improvements in asset management as part of this process of improvement. In the absence of data to benchmark, THH should note the common feedback from both residents and LBTH about the quality of major works and contract management and should seek to make improvements as necessary.

#### Anti-Social Behaviour (ASB)

- 4.2.14. While ASB will often impact on a minority of customers, it can be extremely detrimental for communities and those customers who experience ASB. The nature of ASB means it often impacts on the wider community and influences stakeholder perceptions. The table below outlines THH's performance in managing ASB in its stock.

---

<sup>7</sup> THH does not collect data that conforms to HouseMark's definition for tenant satisfaction with major works (satisfaction with quality of home).

	Tower Hamlets Homes BCI Report and HouseMark (17/18)			HouseMark LA and ALMO Comparator (17/18)				
	Performance	Rank (of 19)	Target	UQ	M	LQ		
<b>Direct cost per ASB case (£)</b>	1,010.71	Q3	7		724.15	947.02	1,886.21	●
<b>Resolution rate %</b>	96			90				
<b>Direct ASB employees per 1,000 properties</b>	1.45	Q4	18		0.54	0.81	1.00	●
<b>No. new cases per 1,000 properties</b>	76.68	Q3	10		17.10	46.53	76.68	●
<b>Total CPP of ASB (£)</b>	115.10	Q4	18		43.22	70.14	97.55	●

- 4.2.15. The metrics show that THH deals with a high number of ASB cases when compared to other local authorities and ALMOs. It is also spending more to address ASB (per property) than other comparator organisations. While this spend puts them in the lower quartile in the benchmark group, the very high resolution rate that THH achieves is likely due to this investment. Given the relatively high number of ASB cases, this investment is likely to be warranted.
- 4.2.16. Ahead of the extension of the management agreement, ASB was identified by LBTH as a service area that THH should focus on improving. Since then, the ASB service has been restructured, provided additional resources, and moved into Environmental Services along with the caretaking management team. In 2017, Parkguard, a provider of ASB services to LAs and the police, was engaged to patrol THH estates and has done so since then. THH has also funded police activity on its estates, through a 2 for 1 police officer funding deal with the GLA.
- 4.2.17. THH's additional spend on tackling ASB and the improvements in this service area were recognised by residents in our focus groups (see Section 5, paragraph 5.7.7 of this report).

### 4.3. Income and Void Performance

#### Income

- 4.3.1. Fundamental to the ongoing financial viability of any organisation is the net income position, which is the effective profit or surplus that THH generates. There are two key strands to performance in net income: gross income and expenditure. THH's relative expenditure, including the costs of service delivery and corporate overheads is explored in below.
- 4.3.2. Whilst as an ALMO, THH receives a management fee, the key operational sources of income are rent and service charge. The factors that indicate performance in these areas are how much rent and service charge is collected (e.g. rent arrears and bad debt performance), and the amount of time for which rent is due on a property (e.g. void performance). The table below highlights THH's performance across a number of rent collection metrics.

	Tower Hamlets Homes (17/18)			HouseMark LA and ALMO Comparator (17/18)				LBTH RP Comparators (16/17)			
	Performance		Rank (of 19)	UQ	M	LQ		UQ	M	LQ	
<b>Current tenant arrears %</b>	4.47	Q4	15	2.33	3.52	4.28	●	4.75	5.07	6.58	●
<b>FTA %</b>	2.21	Q2	9	1.46	2.22	2.54	●	1.38	2.41	3.21	●
<b>Rent collected %</b>	98.91	Q3	13	100.06	99.46	98.63	●				
<b>Total CPP of rent arrears and collection (£)</b>	166.58	Q3	10	114.36	165.88	196.40	●				
<b>Gross arrears written off %</b>	0.25	Q3	10	0.09	0.22	0.52	●				
<b>Rent not collected due to arrears %</b>	1.09	Q3	12	-0.10	0.62	1.39	●				

- 4.3.3. THH performed below the average (median) for the London local authority and ALMO peer group for rent collection and arrears, except with regard to former tenant arrears where the collection rates are just above median levels. When compared to RPs, THH's performance is in the upper quartile for current tenant arrears; however, the former tenant arrears figure is much lower for the sample group of RPs than for THH.
- 4.3.4. THH's bottom-quartile rent arrears performance is at least partly related to the Southwark ruling on water rates (where this is collected with rent)<sup>8</sup>. THH's recent

<sup>8</sup> Many LA landlords enter agreements with water companies to collect water and sewage charges from tenants who don't have water meters. The tenant pays water charges to the LA as part of the rent. The LA typically receives a discount from the water company to reflect the fact it bears the cost of collection and the risk of bad debts and voids. The Jones v Southwark decision in March 2016

HouseMark report notes that prior to the ruling THH's arrears were only slightly above the median level – until the situation is resolved, water rate arrears will obscure the true rent arrears performance.

- 4.3.5. The Southwark ruling affected around twelve other London Boroughs. LBTH joined a consortium of local authorities to challenge the judgement. In relation to agreements made by this consortium THH were instructed by LBTH Legal Services that any recovery action should exclude any debt accruing from water rates charges. THH claim that this policy has severely impacted on its rental income metrics and debt levels.
- 4.3.6. Since the summer of 2018, we understand that LBTH has changed its instructions and THH has been progressing cases where water rates are a significant factor in the debt. We understand that THH's rent collection has improved and as at the end of October 2018, the collection rate was 99.6%.
- 4.3.7. Although not benchmarked in the table above, major works recharge collection is also an area where THH has room to improve. Performance results show that the rate of major works recharge collection has fallen from 106% in 2015/16 to 85% in 2017/18. This was also an area that LBTH stakeholders referred to as an area in which they would like to see THH improve.
- 4.3.8. In contrast to major works recharge collection, THH's recent performance in leasehold service charge collection is positive. Data supplied by THH shows that over the last three years (2015-18), THH has collected 107% of the debit raised for day-to-day service charges from leaseholders.
- 4.3.9. The cost of THH's rent arrears and collection function is very close to the median for the London local authority and ALMO comparator group at £166.58 per property at THH, compared to the median of £165.88. Investment in arrears collection can often result directly in better performance, and this may be an area THH wishes to consider investing in. It should be noted that we are aware that THH conducted a service review of its rent collection function in summer 2018, the recommended changes of which have not yet been implemented.
- 4.3.10. Based on the benchmarking, rent collection appears to be a performance area that THH could strengthen. Based on THH's KPIs and feedback from stakeholders, THH

---

turned on whether the landlord was acting as an agent or as a 'reseller' for the purposes of the Water Resale Order (WRO) 2006. The WRO restricts the amount that a purchaser of water (landlord) can charge when re-selling the water to the final consumer (tenant). The court held that Southwark was buying water and sewerage services from Thames Water and reselling them to its tenants. As a result, the WRO applied and served to limit what tenants could be charged. In effect, the WRO entitles re-sellers to impose only very modest administration charges. Because s150 of the Water Industry Act 1991 gives individuals a statutory right to recover charges levied in breach of the WRO, claims for possession based on rent arrears may be complicated by counter-claims for those overpaid sums.

should also consider focusing on improving major work recharge collection rates.

### Void performance

4.3.11. A property is considered void when it is unoccupied. As unoccupied properties, voids do not generate rental income. Therefore, long void periods will result in lower income to the business. The table below highlights THH's void performance across key metrics:

	Tower Hamlets Homes (17/18)			HouseMark LA and ALMO Comparator (17/18)				LBTH RP Comparators (16/17)			
	Performance		Rank (of 19)	UQ	M	LQ		UQ	M	LQ	
<b>Average re-let time (standard re-lets) (days)</b>	23.10	Q1	4	24.00	27.50	32.60	●				
<b>Total CPP of lettings (£)</b>	30.84	Q1	5	31.22	41.57	69.95	●				
<b>Void loss %</b>	0.37	Q1	2	0.55	0.85	1.45	●	0.71	1.30	1.80	●
<b>Average cost of a void repair (£)</b>	3,341.14	M	7	2,958.90	3,341.14	4,874.69					
<b>Average re-let time (major works voids)</b>	40.70	Q1	2	50.31	76.90	98.75	●				
<b>Dwellings vacant and available % at year end</b>	0.20	Q1	5	0.20	0.27	0.46	●				

4.3.12. Across all void performance metrics THH compares favourably to local authority and ALMO peers. THH also outperforms RPs in terms of void loss, the only metric for which data is available for this comparator group.

4.3.13. THH had the fourth shortest re-let times of the comparator group at 23.10 days. This represents a marked improvement from 30 days only two years earlier, in 2015/16. It is worth noting that the very best performers in this metric can achieve very short re-let times (as at year end 16/17 Barnet had achieved an average re-let time of 13.53 days). THH may therefore be able to further enhance its already strong performance in this area to achieve further reduced void loss.

#### 4.4. Asset investment

- 4.4.1. Investing in stock maintains its condition and reduces the need for future repairs, as well as improving residents' experience and living conditions. The table below shows THH's investment in the stock it manages:

	Tower Hamlets Homes (16/17) BCI reporting (17/18)			LAHS LA and ALMO Comparator (16/17)				LBTH RP Comparators (16/17)		
	Performance		Rank	UQ	M	LQ		UQ	M	LQ
Average total CapEx per SR unit (£)	4,019.33	Q1	2 of 26	1474.15	2175.42	2731.32	●			
Non-decent dwellings as % of LA owned stock	12.8	Q3	20 of 27	0.68	7.20	16.84	●			
Major works programme delivery	102%									

- 4.4.2. THH has a high proportion of non-decent stock at 12.8%. This is significantly higher than the median of 7.2% for its local authority and ALMO peer group. This is more than likely a reflection of issues with the implementation of the Decent Homes programme, which were raised frequently in our discussions with some staff and residents.
- 4.4.3. The performance metrics show that THH has one of the highest levels of financial investment in its social rented stock compared to its local authority and ALMO comparators. THH has also exceeded delivery of its major works programme in 2017/18 (delivering works of a greater value than planned). Whilst not necessarily a positive indicator, given its high proportion of non-decent stock, it is likely positive for THH and indicates that THH is delivering against improvement plans.

## 4.5. Key Findings

- 4.5.1. The performance metrics show that customer satisfaction is high across THH's services, indicating that in terms of the quality of service delivery, THH is performing well.
- 4.5.2. The proportion of THH housing stock which is non-decent is significantly higher than the average for its London local authority and ALMO peers.
- 4.5.3. Repairs performance appears mixed with a good average completion time, but with a high number of repairs per property, per year. This results in a high overall cost per property for repairs and void works. This may be due to the relatively high percentage of non-decent housing stock.
- 4.5.4. The rate of repairs completed 'right first time' is also lower than comparator organisations but has significantly improved over recent years.
- 4.5.5. On income collection, whilst THH performs comparatively very well in terms of managing voids to minimise void loss, its performance in rent collection is generally below average. However, the relatively poor performance in rent collection metrics is at least partly related to the Southwark ruling on water rates. Until the situation is resolved, water rate arrears will obscure the true rent arrears performance.
- 4.5.6. Leaseholder charge collection presents a mixed picture with day-to-day service charge collection being strong, but major works recharge collection representing an area that THH could improve.
- 4.5.7. Overall, benchmarking suggests that THH is a generally well-performing housing manager, as evidenced by good satisfaction, ASB and void management metrics. There is room for improvement in some areas such as rent collection and repairs and it is encouraging that THH's performance across a number of metrics including 'right first time' repairs and satisfaction with major works, has improved over the last 2-3 years. THH is investing in its existing stock, although it is still behind peers with a relatively high percentage of non-decent housing stock.

## 5 | Value for Money

### 5.1. Introduction

- 5.1.1. In evaluating THH within the context of VfM we have considered benchmarking data, the strategic context and any specific projects undertaken by THH to ensure that it is delivering VfM.
- 5.1.2. We have reviewed HouseMark cost performance data for both THH's HouseMark peer group as well as the cost data of housing associations operating in Tower Hamlets. THH and HouseMark have very recently carried out a detailed benchmarking exercise, and we draw on this data as part of our analysis. The two organisations spent a considerable amount of time analysing cost accounts to ensure that costs were correctly categorised, which gives us confidence in the quality of the data.
- 5.1.3. THH's performance against key cost metrics is shown in the table below. Detailed discussion of THH's performance is organised into sections which look at cost drivers, areas delivering strong VfM, and areas for improvement.

Performance in key VfM metrics compared to peers (2017/18 Housemark data)

KPI Measure	Median	THH	THH Quartile
Office premises costs as % of direct revenue costs	2.1%	7.1%	Q4
Office premises costs per direct employee	£3,731	£8,402	Q4
IT costs as % of direct revenue costs	4.9%	7.6%	Q3
IT costs per direct employee	£8,338	£8,987	Q3
Finance costs as % of direct revenue costs	4.1%	4.1%	Median
Finance costs per direct employee	£4,613	£3,019	Q2
Central costs as % of direct revenue costs	8.2%	7.4%	Q2
Central costs per direct employee	£10,728	£5,438	Q1
Housing management CPP	£501	£501	Median
Tenancy management CPP	£137	£134	Q2
Resident involvement CPP	£63	£54	Q2
Lettings CPP	£42	£31	Q1
Major works (management) CPP <sup>9</sup>	£146	£184	Q3
Cyclical Maintenance (management) CPP	£77	£77	Median
Responsive Repairs (management) CPP	£224	£335	Q4
Void Works (management) CPP	£47	£65	Q4

<sup>9</sup> Metrics for repairs "(management)" are for the cost of managing the various elements of the repairs service.

## 5.2. Cost drivers

- 5.2.1. THH is funded through the payment of a management fee from the HRA. This fee is for the delivery of all services included in the management agreement, such as housing management, asset management, and responsive repairs and maintenance.
- 5.2.2. Outside of the management fee, THH also manages delegated budgets, the delegated cost budgets being principally for repairs and major works. Although the budget for the physical repairs is delegated, the cost of managing the repairs programme is an element of the management fee.
- 5.2.3. The 2017/18 management fee of £32m was a reduction on the previous year (£33.4m). An overall £2.76m saving across all budgets, offset by a £1.33m allowance for growth items, resulted in a net saving to the HRA of £1.4m. This was to be the first year of a five-year programme delivering savings of £6m in total (£2m in 2017/18, and £1m p.a. thereafter).
- 5.2.4. The 2018/19 business plan states that “significant budget pressures have been identified that result in an increase to the overall management fee compared with the base for 2017/18”. However, the 2018/19 management fee is almost £1m lower for 2018/19 (£30,979k compared to £31,946k for 2017/18), so the £1m savings to the management fee appear to have been identified despite these cost pressures.
- 5.2.5. The THH business plan identifies £1,001k savings in the 2018/19 business plan, being £746k from the management fee and £255k from delegated budgets. As referred to in 2.3.2 above, the Council needs to be clear about whether the savings targets relate to the management fee only, or to the entire HRA.
- 5.2.6. Some of the costs which THH incurs are recharges from LBTH via SLAs. These SLAs include legal services, IT and telephony, and formerly, office accommodation costs. THH has some negotiating input over certain SLAs, while over others it has little or no control (e.g. legal and IT costs). In some cases, THH has negotiated a related adjustment to the management fee. In the case of office accommodation costs, the SLA charge was considered to be so high that THH sought cheaper alternative accommodation.
- 5.2.7. We did not find evidence of substantial tracking of financial VfM KPI data. There is regular benchmark reporting of performance (income collection rates, re-let times, void rates, programme delivery progress, satisfaction scores) but not of the cost of delivering that performance. The recent HouseMark report is thus welcome and timely. While THH has been able to identify savings and has been carrying out service reviews across its functions, the lack of regular reporting of cost KPIs and/or cost benchmarking is an important gap in THH’s strategic approach to achieving VfM.
- 5.2.8. We are assured that scrutiny of budgets is applied via an experienced board and

from residents (on the Board and otherwise), but the inclusion of cost reporting would strengthen this function.

- 5.2.9. There are of course some areas of higher cost or weaker performance where there is still potential to achieve greater VfM – where THH’s performance is average, there is scope to improve. We note however that in an operating context where all ALMOs are seeking to make HRA cost savings, it is possible to deliver significant savings and still remain ‘average’. Benchmarking analysis therefore needs to be combined with trend analysis to assess improvement in performance over time, hence the need for regular, periodic cost KPI reporting.

### 5.3. Areas delivering strong VfM

- 5.3.1. Benchmarking indicates a generally positive picture in terms of THH’s current performance in providing VfM – costs are either broadly in line with the peer group or compare favourably. In areas where costs appear high, this is likely to be a reflection of the type of stock it manages and the high levels of deprivation in the areas in which it operates<sup>10</sup>.

#### Lettings

- 5.3.2. HouseMark data shows that THH are a top quartile performer across most measures of the lettings function, both in terms of performance (re-let times, void loss) and efficiency (cost per property and patch size). Although THH is in the bottom quartile for average employee cost (£43.2k, vs median £39.7k), this higher-cost team delivers above-average performance.

#### Resident involvement

- 5.3.3. HouseMark data shows that THH has a lower than average cost per property in this area. Although the average employee cost is above average (£45.7k vs median £42k), there are 1,333 properties per employee in this function, compared to a median of 1,190. Given THH’s high satisfaction ratings, we would again observe that this higher-cost team delivers above-average performance (as supported by our findings in the performance section 4 above).

#### Areas for improvement

- 5.3.4. As a general observation, THH’s KPI performance for overhead costs in the HouseMark benchmarking report tends to score better on a per-employee basis than when calculated per £ of direct expenditure, suggesting that THH is more heavily staffed than average. However, this is due in large part to the high number of caretakers (who are employees rather than contractors). Figures from comparators

---

<sup>10</sup> 20% of THH households report an annual income of less than £15,000

may be impacted by contracting out such services (as LB Hammersmith and Fulham does, for example). Having a higher proportion of blocks (relative to street properties) may also increase the requirement for caretakers for THH.

#### Overhead costs – office premises costs

- 5.3.5. Office premises costs are far higher than average – 7.09% of direct revenue costs, compared to a median of 2.14% (a bottom quartile cost is in excess of 3.09%). The high costs reflected in the benchmarking are an SLA charge from LBTH. To reduce costs, THH has recently moved to a new office. This move is anticipated to generate net savings of £580k p.a. from 2018/19.
- 5.3.6. We have recalculated the benchmarking outturn figures for 2017/18 using revised £1.422m office accommodation costs, based on a full year of Boatman’s House office rent and service charge. This figure was provided by THH. The recalculation improves THH’s performance against the cost per employee and cost per direct employee benchmarks from fourth to third quartile.
- 5.3.7. However, even based on the forecast, office costs are 4.02% of direct revenue costs, and therefore remain above both the median and lower quartile mark. This may reflect the high cost of office space in the borough, and the comparator data will likely be influenced by some ALMOs who share office accommodation with their parent local authority. In any case, we understand that THH will be required to move again due to being served notice by the freeholder of their current building.

#### Responsive repair costs

- 5.3.8. The HouseMark data identifies that THH has slightly higher repairs costs than average, even when compared to peers in high deprivation areas. As noted in the performance section above, the driver appears to be a high number of repairs (6.15 per property pa, bottom of the peer group of 19, compared to a lower quartile figure of 4.62 and median of 3.73).
- 5.3.9. The cost of the repairs themselves (the cost per repair) is lower than average, which is suggestive of relatively efficient procurement. The HouseMark report also supports this interpretation, as it finds THH’s replacement costs for kitchens, bathrooms and boilers to be lower than average.
- 5.3.10. Given its 11,568 rental properties, THH is doing over 71,000 repairs a year whereas the 4<sup>th</sup> quartile provider only does 53,400 – at £131.81 per repair. Improving performance to the level of the 4<sup>th</sup> quartile would reduce the responsive repairs cost by £2.3m.
- 5.3.11. The high number of repairs per property is unlikely only to be explained by the

relatively low rate of first-time fixes (85.9% vs. median 88.9%)<sup>11</sup>. However, at a cost of £131.81 per repair, improving the first-time repair rate by 3% (to the median rate) could save £280,000. This would reduce the number of repairs requiring follow-up by 20% (2,000 fewer repairs a year, which is more than 5 a day).

- 5.3.12. The cost of managing the repairs service is also more expensive than average (total cost per property £335 vs median: £224, 4<sup>th</sup> quartile: £331). Reducing both the total number of repairs and the number of follow-up repairs could be expected to reduce management costs. We understand that THH are appointing a commercial manager to oversee the repairs contracts and particular to understand the reason for the high numbers of repairs. Investment in IT systems to introduce online repairs reporting are also expected, by THH to deliver savings in this area.

#### Service charges

- 5.3.13. Estate costs are high relative to THH's peers, but this is largely a result of the type of stock (mainly estates and blocks). Any savings in direct costs would be passed on to tenants and leaseholders – there is a benefit to residents in terms of lower bills, although this would not translate into benefits for the HRA.

#### 5.4. Areas of uncertainty

##### Overhead costs – central and finance costs

- 5.4.1. Central costs, together with finance, IT and office premises costs reflect THH's overheads. IT costs are higher than average, but this reflects an SLA recharge which includes the cost of the major IT transformation process currently under way.
- 5.4.2. THH's finance and central costs are lower than average, whether measured as a percentage of direct revenue costs or as a cost per employee. Unfortunately, this gives only a relative measure of performance since, for any given level of overheads, an organisation with a high-cost, heavily staffed front-line service would perform better under these measures. However, HouseMark described the finance function as 'lean' (indicating that the service review in this area has resulted in cost efficiencies), and central overheads as significantly lower than average.
- 5.4.3. We do not have the data to calculate a benchmark for cost per property. The central overhead cost allocated to the various front-line activities is above average on a cost per unit basis for maintenance but below average for housing management – we cannot determine whether the overheads per unit are above or below average overall.
- 5.4.4. The benchmarking performance of THH in terms of planned maintenance and major
- 

<sup>11</sup> Possible reasons for the high number of repairs per property are considered in paragraph 3.2.10.

repairs costs is likely to be obscured (for both 2017/18 and the next couple of years) by additional fire safety works and cladding removal/replacement in response to the Grenfell Tower disaster. This will affect some housing providers more than others, according to the nature and construction of their stock. LBTH has agreed to fund £6m of additional fire safety expenditure by THH, being £425k extra staffing costs and £5.6m works (including cladding removal).

## 5.5. Overall cost and VfM

- 5.5.1. There is scope to make improvements in a number of areas, and we see evidence that some of these are being addressed. Some improvements (e.g. mobile working) are dependent on IT upgrades, the timing of which may be outside THH's control. This affects the ability to deliver the savings within the timescales anticipated. Some costs (e.g. agency staff to fill vacant posts) are being carried pending service reviews to avoid the likely (higher) alternative costs of redundancies.
- 5.5.2. While the benchmarking indicates that THH is, in a number of areas, a relatively high-cost housing manager, given the areas in which it operates, its service performance levels and its levels of resident satisfaction, we do not find a compelling case for arguing that it offers poor value for money.

## 5.6. Views on VfM

- 5.6.1. THH's view of its own VfM position is that it has generated efficiency savings and is continuing to deliver improvements in VfM across its service delivery. However, once these improvements have been implemented, any significant further savings in expenditure are likely to come at the expense of service quality or delivery.
- 5.6.2. Both LBTH and THH consider that there is very little overlap in their activities or functions, suggesting that there would be only limited savings from transferring THH's activities back to the Council, and the possible impact on performance from the disruption caused by the transfer might negate such savings as were available. It would only take a very small increase in voids/bad debts to wipe out the limited savings anticipated – much smaller than the improvements already achieved. For example, a 0.1% reduction in income (whether through voids or bad debts) would negate a £90k cost saving.
- 5.6.3. We met a perception at LBTH that THH has not yet 'dug deep' and 'felt the cuts' in the same way that other council services have had to, implying a view that THH could do more to deliver VfM.
- 5.6.4. THH's reserves have been used to fund one-off projects such as the ICT digital strategy, procurement costs linked to capital works, works associated with the office move, and company restructure costs. Based on the 2018/19 budget, after these projects THH's reserves will be at the minimum agreed balance (£2.2m) and further one-off costs would have to be funded from savings in the current year.
- 5.6.5. There were also suggestions that: savings were offered by THH in the delegated budgets but not in the budgets covered by the management fee (as was expected by

some stakeholders as part of the £6m savings target); that savings were offered at the same time as requests for additional 'growth' funding, so the net saving to the HRA was less; and that THH requested additional LBTH funding for projects which should be funded from the management fee (e.g. senior management training). However, the planned £1m saving to the management fee has been identified for 2018/19.

- 5.6.6. Through the residents' focus groups, there appears to be a perception that the quality of service delivery has declined as a result of savings targets. One resident stated, "it is inevitable that the savings targets imposed by the Council will have a negative effect on some services". Another resident stated that "it seems to me that when services are restructured it is done with finances in mind, rather than service delivery." One particular example was the perception of there being fewer Neighbourhood Officers since a restructure in the summer of 2018.
- 5.6.7. Some residents also said that an improvement in some services, particularly ASB, was evident following additional investment by THH. Although the performance figures to date do not reflect this perceived improvement, we understand that, as premises closure orders are starting to come through, THH officers expect performance figures over the next year to reflect the impact of increased efforts to address ASB.

## 5.7. The Housing Revenue Account (HRA) – overall position

- 5.7.1. We have reviewed extracts of the HRA business plan as it stood at 29th October 2018 and as discussed with LBTH finance officers. The model had been updated to remove the Higher Value Voids levy but had yet to incorporate the lifting of the HRA debt cap, which had only just been announced.
- 5.7.2. The HRA balance is positive but forecast to remain at £10m until 2025/26. The revenue account is positive and there are large contributions to capital from reserves to fund the capital programme. The long-term HRA is growing its surplus even after significant contributions to capital.
- 5.7.3. The plan was constrained by the debt cap for the first 10 years, and after that point there remained limited headroom for the rest of the 35-year plan and little scope to repay debt.
- 5.7.4. There is a relatively cautious assumption that rents will increase at CPI after the 5 years at CPI+1% end. Costs are also assumed to grow at 2%. This may be an optimistic assumption in areas such as repairs unless the Council continues to deliver real year on year savings.
- 5.7.5. Interest costs in the plan are relatively high, but they reflect the historic lender's option, borrower's option (LOBO) loans taken out by LBTH prior to the self-financing regime and there is little scope to reduce this cost in the medium term.
- 5.7.6. The plan includes a 30-year stock condition survey forecast spend of £498m (before inflation), which is £43k per rented unit – this is at the upper end of our expected

range of values for large scale voluntary transfer (LSVT)-type stock, reflecting the large cost uplifts as a consequence of the stock which is in blocks. The plan includes the £6m additional costs for works post-Grenfell.

- 5.7.7. This expenditure can be afforded within the plan, but the timing of the expenditure needed reprofiling to remain within the debt cap. This should no longer be a constraint.
- 5.7.8. £104m of borrowing is currently assumed, mainly in 2019-21, in order to fund £319m of new build units. This is to maximise the use of Right to Buy (RtB) receipts of £206m over the next 3 years (2018/19-2020/21). A proportion of RtB receipts can be retained to spend on replacement social housing but these receipts cannot fund more than 30% of the total spend, cannot be used in conjunction with other GLA/Homes England funding and must be spent within 3 years or repaid with interest (or used to grant fund another body, e.g. an RP).
- 5.7.9. The higher LBTH's RtB receipts, the more it has to spend on replacement housing to retain the receipts (the new housing is funded by borrowing). The lifting of the debt cap increases LBTH's ability to borrow for new development, although the other limitations on the use of the receipts are still a constraint.
- 5.7.10. The HRA currently includes commercial property income, the transfer of which to the general fund is being considered. Savings in the HRA would be required to make good the loss of this income.

## 5.8. Key Findings

- 5.8.1. In terms of THH's cost performance, the high-level findings reflect mixed performance on value for money - strong cost efficiency in the lettings function, but a high-cost, high-volume responsive repairs service. Benchmarking indicates a generally positive picture in terms of THH's current performance in providing VfM – costs are either broadly in line with the peer group or compare favourably. There is scope to make improvements in a number of areas, and we see evidence that some of these are being addressed (e.g. contract management resourcing).
- 5.8.2. The 2017/18 management fee was a reduction on the previous year, reflecting £2.76m savings offset by a £1.33m allowance for growth items. This was to be the first year of a five-year programme delivering savings of £6m in total (£2m in 2017/18, and £1m p.a. thereafter). A further £1m saving in the total management fee was identified for 2018/19 despite additional resources for fire safety and SLA increases.
- 5.8.3. With the removal of the debt cap and the Higher Value Voids levy, the HRA medium-term business plan is now less constrained than in previous years. The plan assumes that cost growth can be contained to the level of general inflation, which may prove challenging to sustain over the longer term without continued efficiency improvements. However, long-term forecasts are inherently uncertain, particularly in a fast-changing policy environment.

- 5.8.4. We did not find evidence of substantial tracking of VfM cost KPI data. While THH has been able to identify savings and has been carrying out service reviews across its functions, the lack of regular reporting of cost KPIs and/or cost benchmarking is an important gap in THH's strategic approach to achieving VfM.

## 6 | Stakeholder Views

### 6.1. Introduction

- 6.1.1. The relationship that THH has with its sole shareholder and client/contract manager, LBTH, is key. The ALMO-Council relationship is codified through the management agreement (and service level agreements), but how it is enacted in practice can vary. In our experience a strong ALMO-Council relationship is a partnership in which there is strong strategic alignment, the ALMO is responsive to the needs of the Council, and the Council has a strong focus on what it requires of the ALMO and communicates and monitors this effectively.
- 6.1.2. To inform our findings in this section, we spoke to a range of stakeholders including tenants, leaseholders, the Mayor, LBTH officers, THH Board members, THH officers and external partners. We also undertook a residents' survey and a survey of THH board members.

### 6.2. ALMO governance and clienting structure

- 6.2.1. LBTH's client team is responsible for both the clienting of the ALMO and other retained landlord functions (including HRA land sales, policy development, RTB receipts and street property acquisition for Temporary Accommodation, amongst other areas). The client team's responsibilities with the ALMO include reviewing and feeding into the business plan each year, approving and providing administration for the capital programme and transformation plans, and managing the various SLAs that the ALMO has in place with the Council.
- 6.2.2. The client team has regular engagement, including monthly meetings, with ALMO officers in relation to performance reporting and leaseholder charges. Items from these meetings, along with a Capital Programmes group (attended by the Council's Capital Delivery Team), are often included in papers to bi-monthly operations ('Bi-Op') meeting chaired by LBTH's Divisional Director.
- 6.2.3. We understand that papers from the Bi-Op meeting are often taken to a Quarterly Strategic Meeting that is attended by largely the same people, with the addition of THH's Chief Executive and LBTH's Corporate Director of Place, who chairs the meeting. The Mayor's Housing Meeting is another meeting that occurs on a quarterly basis that is attended by the THH Chair but otherwise the same attendees as the Quarterly Strategic Meeting.
- 6.2.4. The Mayor's Housing Meetings are intended to help ensure that THH is aligned to, and delivering on, the Mayor's priorities. However, despite the strategic purpose of the meeting, it is our understanding that these meetings are briefings on performance and risk, in addition to a range of specific operational issues. Some stakeholders feel that there is often "not enough space" to discuss strategic issues.
- 6.2.5. We recommend that LBTH considers the purpose of the various bodies in the THH governance/engagement structure to ensure that the division of responsibilities,

delegations and terms for each are clear and fit for purpose.

- 6.2.6. Many stakeholders feel that the relationship between the Council and ALMO generally works well, pointing to effective working on a number of operational issues and good personal working relationships. A sense of having generally positive and constructive working relationships was widely held amongst stakeholders in both LBTH and THH.
- 6.2.7. However, some stakeholders feel that there is room to improve the relationship between the Council and ALMO and referred to the response of THH and LBTH in the wake of the Grenfell tragedy (checking Fire Risk Assessments and issuing communication to residents) and the recent move of THH to new offices (as a means to save costs on an SLA with the Council, and the impact that this had on the Council), as two particular points which exposed issues in the relationship between the two organisations.
- 6.2.8. Some stakeholders regard these particular issues as examples of robust but healthy and necessary challenge between the organisations. However, where issues have arisen in the past, in some cases, this has impacted on how some stakeholders view the relationship between LBTH and THH. Some of these stakeholders felt that there was a degree of mistrust and lack of clarity over delegations between LBTH and THH and that this contributed to the sense of a certain amount of unease in the relationship between the organisations.
- 6.2.9. The clienting relationship between LBTH and THH was characterised by LBTH staff that we spoke to as “arm’s-length” and one in which THH are allowed to “get on with it” with the Council intervention kept to a minimum. Some credited this approach to allowing THH to innovate and engage in transformation relatively free of the bureaucracy and politics of the Council.
- 6.2.10. However, others saw this approach as leading to a relationship where LBTH is not as assertive or clear as it should be in its clienting of the ALMO. Council officers recognise that there is some work to be done internally on the development of their clienting arrangements and pointed to instances of LBTH requesting the ALMO to produce reports or undertake work that is not always necessary, whilst not always producing required reports themselves.
- 6.2.11. Some stakeholders from the Council spoke of the need to ‘rebalance’ the relationship with the ALMO and to establish greater clarity of the roles and responsibilities of key bodies and stakeholders in the governance structure. Some stakeholders in both the ALMO and the Council expressed a desire to see a more formalised arrangement that reduced the current duplication (of meetings and papers) between LBTH and THH and made clearer the levels of delegation and authority for the ALMO to take action. We agree with these sentiments and see that greater clarity of roles would benefit both LBTH and THH.
- 6.2.12. From the evidence that we have gathered and the interviews and focus groups that we have undertaken, there appears, in some respects, to be a tension between THH’s desire to act independently in many regards and an understandable desire within LBTH to have greater control over the ALMO. We recommend that LBTH

looks to establish greater clarity in their expectations of the ALMO and define a common vision for the relationship with the ALMO, which would include greater clarity over delegations and authority to act. We recommend that both the Council and THH recognise that elements of the relationship will likely need to feel different to both organisations in the future.

### 6.3. Resident feedback

- 6.3.1. To inform this review, we asked residents for feedback through surveys (both online and telephone) and a short series of focus groups for both involved (e.g. Tenants and Residents Association (TRA) representatives) and previously uninvolved residents. These activities were designed to understand residents' views about THH's services and provide a qualitative dimension to the satisfaction data discussed in Section 4 above.
- 6.3.2. The online survey received over 780 responses and 300 residents took part in the telephone survey. This is a higher response than we have received when conducting similar reviews at other local authorities. The response rate and feedback received from resident stakeholders within the borough demonstrates the high level of interest and strength of feeling that many THH residents have when it comes to the management of the Council's homes.

#### Survey Feedback

- 6.3.3. When asked to rate the current housing management service, the survey results showed a significant gap between tenants and leaseholders. For every leaseholder who rated THH services positively, approximately two tenants rated THH services positively. For every tenant who rated THH services negatively, about four leaseholders rated services negatively.
- 6.3.4. The online survey reveals that tenants who rated the overall service positively are generally pleased with THH's tenancy and rents, repairs, caretaking and gardening services. Leaseholders who rated overall service positively are generally pleased with THH's caretaking, gardening and leaseholder services.
- 6.3.5. The online survey reveals that tenants who rated the overall service negatively were more likely to be displeased with THH's repairs, ASB and complaints services. Leaseholders who rated overall service negatively were more likely to be displeased with THH's repairs, major works, complaints and leaseholder services.
- 6.3.6. When asked about whether their housing management service had improved over time, the response from residents was mixed. Of the online survey respondents, about half of both groups said services have improved or stayed the same, whereas about a third of each group said services have got worse. The phone survey yielded slightly more positive results with about three-quarters of leaseholders and tenants saying that services had improved or stayed the same, and about a fifth saying that services had got worse. This should be seen in the context of the percentage of tenants rating the service as excellent, very good or good (according to LBTH's Annual Residents Survey) as having increased from 26% in 1999 to 55% in 2017.

## Focus Groups

- 6.3.7. Over three focus groups we met with twenty residents of THH, including both tenants and leaseholders, and both involved (TRA representatives) and previously uninvolved residents. A number of common themes emerged from our discussions with residents.
- 6.3.8. It was noted by a number of participants that several services have improved in recent years. Environmental Services and Fire Safety were highlighted as examples of services which have undergone a notable improvement; several residents were particularly impressed with THH's response to Grenfell and the resulting programme of block inspections (though it should be noted that some residents did not share this positive view). Some participants were aware of and welcomed the Fire Safety Working Group that THH had established with residents.
- 6.3.9. Caretaking services were highlighted as having been consistently good, largely due to the personable and committed staff. This was supported by the survey results which saw caretaking receive one of the most positive responses from both tenants and leaseholders.
- 6.3.10. ASB was recognised as an area that THH has not always performed well in, but that had seen recent improvements. There was a sense amongst many focus group participants that THH's response to ASB had improved as a result of more officers and greater investment in the service. Some residents shared concerns that there was a lack of effective joint working between LBTH and THH on ASB, citing examples of CCTV footage not being shared.
- 6.3.11. There were a number of areas that focus group participants felt they would like to see improved. Major works delivery was seen as a particular source of disappointment amongst residents in the focus groups. Many participants felt that current contractor monitoring and management arrangements are poor and that contractors frequently 'cut corners' when undertaking works. More assertive contract management was seen as necessary by many of the residents we spoke with.
- 6.3.12. Many participants' perception of THH was significantly influenced by historic experiences, that in many cases, had occurred several years ago. Historic and legacy issues with the Decent Homes works featured prominently in the residents' focus groups and were a source of frustration and disappointment for several residents we spoke with. It was felt by participants that many homes had not been raised to a decent standard, with low-quality materials used in kitchens and high levels of electrical trunking in properties.
- 6.3.13. Many residents felt that LBTH is as responsible as THH for the perceived problems with the Decent Homes works, citing a late application for funding by the Council and pressure on THH to procure the lowest cost contractors, regardless of quality. However, there was also a sense that THH continues to have problems with the procurement and management major works contractors. One resident stated, "it doesn't look like [THH] has learned any lessons from the difficulties they encountered during the Decent Homes programme".

- 6.3.14. Another consistently identified issue in the residents' focus groups was communication, both in terms of communication between THH and residents and contractors; and between different teams within THH.
- 6.3.15. Some residents described communication from THH, particularly with regards to income collection, as having a 'threatening tone'. We heard examples of letters sent to tenants demanding arrears be cleared, when in fact, there was no money owed on the account. We also heard examples of a lack of communication about major works, with examples of works that affected access to block entrances not being communicated to residents. Other residents gave examples which highlighted communication issues with contractors where contractors had attended a cancelled job.
- 6.3.16. Many participants perceived a lack of co-ordination and consistency across internal THH teams. One resident stated "one team will say one thing and another team will say another. It's impossible to get a straight answer over the phone".
- 6.3.17. Some participants related the poor communication between internal teams to a perceived high turnover of staff. There was a perception that THH has struggled to retain high-quality front-line staff. There was particular frustration about the call centre, with examples given of having to explain the same issue several times, often to different people. The perceived high proportion of short-term or agency staff was seen as counter-productive to address perceived skills gaps in THH.
- 6.3.18. While frustration with internal communication, the call centre and high staff turnover was prevalent in the focus groups, many participants were very positive about individual THH staff members.
- 6.3.19. It is worth noting that feedback from THH board members suggests that the ALMO is aware of its challenges and the poor perception it has amongst some residents in regard to communication. THH board members claimed that its responsiveness to tenants is improving and referred to how residents' views have shaped the Business Plan and priorities for improvement projects.
- 6.3.20. Some of the focus group participants had very negative views about THH and the quality of service that it provides. The issues raised that were common across more than one workshop have been included above. However, it is worth noting that many of the most critical residents involved in the focus groups, remarked that they considered THH as the best social housing manager in the borough. The sentiment expressed by those residents was that THH was the "best of a bad bunch".

#### 6.4. Councillor feedback

- 6.4.1. Councillors representing wards with THH managed stock were invited to attend focus groups. We spoke to seven Councillors from across the borough who provided feedback based on their experience of THH and feedback that they have received from residents of their wards.
- 6.4.2. Councillors who participated in the focus group were positive about THH's record on

community development and engagement. Councillor's also praised the ALMO's approach to tackling ASB, including their work with Streets of Growth. It was felt that there is still room for development, but that ASB services are good.

- 6.4.3. THH was described as responsive to communication from Councillors. A common view amongst the focus group participants was that THH is more responsive than other housing associations in the borough, who were described as "more remote". This sense of good communication with THH extended to the ALMO's senior leadership, which was seen as accessible.
- 6.4.4. However, when it comes to communication with residents, Councillors gave a more mixed picture. Echoing comments from the resident focus groups, some councillors described some letters received by residents as 'threatening' in tone and gave other examples of letters that contained inaccurate information about rent accounts.
- 6.4.5. Communication about capital works was a particular area that councillors felt could improve, citing examples of a lack of information about the reasons for some capital works and poor communication with residents about delays to works.
- 6.4.6. Capital works delivery itself was described as a source of concern for some of the participants. Examples given included scaffolding being erected long before works commenced, delays to capital works, and long-standing issues with rainwater drainage.

## 6.5. External stakeholder feedback

- 6.5.1. We spoke to three external partners including an ASB partner, a training and development organisation, and the police.
- 6.5.2. The partners we spoke to describe their relationship with THH as positive and mutually beneficial. One interviewee stated that "our experience with THH has been one of our best partnership experiences – the people we have linked with, from the CEO down to the staff, have been willing to listen and be different." The ALMO was described as being very supportive of its local community partners, with staff accessible and easy to communicate with.
- 6.5.3. Interviewees were able to evidence the results of their partnership working, with one stating that in 2017/18 they saw a 48% reduction in reported ASB among young people on the three main estates where their organisation is working in partnership with THH.
- 6.5.4. It was acknowledged by interviewees that there are some challenges in the working relationship; for example, working across multiple teams within THH was described as "occasionally challenging", and that the level of engagement with community partners tends to ebb and flow over time depending on the political climate. However, in general terms interviewees held very positive views of the ALMO and its approach to partnership working.

## 6.6. Key findings

- 6.6.1. The current clienting and governance arrangements between LBTH and THH are regarded by many stakeholders as lacking clarity and suffering from duplication of meetings (with the same / similar attendees) and reporting. There is a common desire to have greater clarity and formalisation of roles, and responsibilities, and delegations in the relationship between the ALMO and the Council.
- 6.6.2. There appears to be a tension between THH's desire to act independently in many regards and an understandable desire within LBTH to have greater control over the ALMO. Greater clarity in LBTH's expectations of the ALMO and a common vision for the relationship with the ALMO, would benefit both organisations.
- 6.6.3. Residents expressed positive feedback for caretaking and fire safety and acknowledged progress that was being made with regards to ASB. Residents saw major works and management of contractors as particular areas for improvement for THH. Communication was identified as a key area for improvement in resident focus groups. Residents felt that communication between teams within THH, with the Council, and with residents should improve.
- 6.6.4. We found the perception of some participants to be significantly influenced by historic experiences, that in many cases, occurred several years ago. Historic and legacy issues with Decent Homes works featured prominently in our discussions with residents and were a source of frustration and disappointment for several residents we spoke with.

## 7 | Summary: THH as a Housing Manager

- 7.1.1. Performance benchmarking suggests that THH is a generally well-performing housing manager, as evidenced by good satisfaction, ASB and void management metrics. There is room for improvement in some areas such as income collection and repairs and it is encouraging that THH's performance across a number of metrics including 'right first time' repairs and satisfaction with major works, has improved over the last two to three years. THH is investing in its existing stock, although it is still behind peers with a relatively high percentage of non-decent housing stock.
- 7.1.2. In terms of THH's cost performance, the high-level findings reflect mixed performance on value for money - strong cost efficiency in the lettings function, but a high cost, high volume responsive repairs service. There is scope to make improvements in a number of areas, and we see evidence that some of these are being addressed (e.g. contract management resourcing).
- 7.1.3. Benchmarking indicates a generally positive picture in terms of THH's current performance in providing VfM – costs are either broadly in line with the peer group or compare favourably. In areas where costs appear high, this is likely to be a reflection of the type of stock it manages and the high levels of deprivation in the areas in which it operates.
- 7.1.4. The current clienting and governance arrangements between LBTH and THH are regarded by many stakeholders as lacking clarity and suffering from duplication of meetings (with the same attendees) and reporting. There is a common desire to have greater clarity and formalisation of roles, and responsibilities, and delegations in the relationship between the ALMO and the Council.
- 7.1.5. Overall, our assessment is that THH is a generally well-performing housing manager in terms of both housing management performance and cost. There is room for improvement in some key areas of service delivery but evidence of performance improvements over recent years and an extensive transformation programme currently being delivered, are positive.
- 7.1.6. THH continues to operate under the legacy of a troubled delivery of Decent Homes, which is likely to remain an operational challenge for THH in terms of repairs and major works, and a reputational challenge with some residents. There are also challenges for both THH and LBTH in the relationship between the two organisations, which would benefit from more clarity of delegations, roles and expectations, and from greater capacity for strategic discussion and alignment between the Council and the ALMO.

## Stage 2: Options Assessment

- 7.1.7. The purpose of Stage 2 was to consider the options available to LBTH for the future of the management of its social housing stock.
- 7.1.8. The options have been developed by consideration of operating models used by other Local Authorities, our understanding of the context for LBTH and THH explored through Stage 1 of this project, and LBTH's key long-term strategic objective of providing the best possible and continuously improving housing service to residents, securing fire safety, maintaining and improving the Council's physical assets, and enhancing the Council's reputation.
- 7.1.9. We have undertaken an analysis of the suitability, feasibility and acceptability of each option..
- 7.1.10. The five options are:
- **In-house Management:** Bring all THH services back in-house in 2020.
  - **Management Agreement Extension:** Extend the existing management agreement with THH remaining largely 'as-is'.
  - **Extension with Fewer Services:** This option would involve extending the management agreement for THH, but with the transfer of some services and functions from the ALMO to the Council (thereby making THH a 'thinner' ALMO).
  - **Extension with More Services:** This option would involve extending the management agreement for THH, but with the transfer of some services and functions from the Council to the ALMO.
  - **Extension with a Different Mix of Services:** This option would involve extending the management agreement for THH, but with the transfer of some services and functions from the ALMO to the Council and also simultaneously the transfer of some services and functions from the Council to the ALMO.

## 8 | Overview of Housing Management Approaches

### 8.1. Affordable Housing Management Models

- 8.1.1. Affordable housing has its origins in nineteenth-century philanthropic movements, characterised by the homes built by Joseph Rowntree, George Cadbury and George Peabody in response to industrial slums. From the early twentieth century a legal duty was placed on local councils to provide housing, with the post-WWII era seeing significant building by Local Authorities. Most early affordable housing was managed by Local Authorities but, following legislative changes since the 1970s, housing associations played an increasingly important role in housing management in the UK, which has accelerated since the 1980s.
- 8.1.2. For Local Authorities who became stock-owning during large building programmes, the question of how this stock should be managed has continued to be solved in different ways across the UK. From the 1990s, Large Scale Voluntary Transfers (LSVTs) of stock to newly-created (or in some cases existing) housing associations created new independent housing managers (e.g. Bolton at Home and Watford Community Housing Trust).
- 8.1.3. The early 2000s saw the introduction of another housing management model, the Arm's Length Management Organisation (ALMO). Many Local Authorities which did not pursue stock transfers sought to secure government funding for investment in their stock through the creation of an ALMO. ALMOs were able to apply for government grants that were unavailable to Local Authorities.
- 8.1.4. Many Local Authorities have retained their ALMOs who have continued to manage their parent authority's stock. Other Local Authorities who created ALMOs to access funding have dissolved them and brought the management function back within the council as the applicable funding streams ceased.

### 8.2. In House Council Housing Management

- 8.2.1. The in-house management model is where housing services are managed by the Local Authority. This may be because the council chose not to create an ALMO, or because an ALMO has been brought in-house. Around 100 Local Authorities in England still own and manage their stock. Combined, they provide housing management services for c.800,000 homes<sup>12</sup>.
- 8.2.2. Examples of councils which have brought their housing management function in-house after previously having an ALMO include the London Borough of Brent, London Borough of Ealing and London Borough of Hackney.

---

<sup>12</sup> Association of Retained Council Housing

8.2.3. Councils that have retained both the ownership and management of their stock include the London Borough of Camden and Cambridge City Council whose tenants voted against the formation of an ALMO or stock transfer.

### 8.3. ALMOs

8.3.1. The option of establishing an ALMO to deliver ‘Decent Homes’ by 2010 was set out in 2000 by the then-Labour government in the green paper ‘Quality and Choice: A Decent Home for All’. One of the three housing management options proposed by the government to access extra Decent Homes funding, the ALMO model was adopted by Local Authorities who wanted to retain ownership of their social housing stock.

8.3.2. ALMOs are described as belonging to one of six rounds, depending on when they were created, and therefore what round of Decent Homes funding they first accessed. The table below shows when each round occurred. THH is a ‘Round Six’ ALMO, being one of the last to be established.

ALMO Round by Year

ALMO Round	Year
Round One	2002
Round Two	2002-03
Round Three	2004
Round Four	2004-05
Round Five	2005-06
Round Six	2006-08

In 2009 the Government diverted funding away from social housing stock improvement to new homes development, and in 2010, the Decent Homes Programme ended. The number of ALMOs operating in England has steadily decreased since 2009. Many ALMOs have either been brought back in-house by their Local Authority or have been converted into a stock transfer housing association.

Number of ALMOs and stock managed by ALMOs in England and London 2009-2018

		2009/10	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
London	# of ALMOs	20	15	13	13	11	8	8	6	5
	Homes managed	c. 268k	c. 253k	c. 238k	c. 238k	c. 206k	c. 128k	c.128k	c.105k	c. 84k
England	# of ALMOs	70	55	50	47	42	38	37	33	31
	Homes managed	c.1m	c.800k	c.700k	c.650k	c.600k	c.510k	c.500k	c.440k	c.420k

8.3.3. In London, fifteen ALMOs existed in 2011. As illustrated in the table below, this

figure has decreased to five in the present day. Many councils claimed that the end of the Decent Homes Programme meant that their ALMOs had served their purpose and did not deliver sufficient benefits above in-house council management.

Council Stock Management in London (ALMOs) 2011-2018

London ALMOs	11 / 12	12 / 13	13 / 14	14 / 15	15 / 16	16 / 17	17 / 18	18 / 19	19 / 20
Ascham Homes	ALMO				In-House				
Barnet Homes	ALMO								
Brent HP	ALMO						In-House		
CityWest Homes	ALMO								In-House
Enfield Homes	ALMO			In-House					
Hackney Homes	ALMO				In-House				
Homes for Haringey	ALMO								
Homes for Islington	ALMO	In-House							
Homes in Havering	ALMO	In-House							
Hounslow Homes	ALMO			In-House					
Ken & Chelsea TMO	ALMO						In-House		
Lambeth Living	ALMO				In-House				
Lewisham Homes	ALMO								
Sutton HP	ALMO								
Tower Hamlets Homes	ALMO								

#### 8.4. Themes in Stock Options Reviews

8.4.1. Local authorities with an ALMO periodically review and renew their housing management agreements, which often run for ten-year terms with five-year break clauses. As seen from the previous section, a number of Local Authorities have recently reviewed their housing management agreements and have decided to bring the services in-house; however, there are also instances where housing management reviews have resulted in the decision to retain and in some instances expand the role of the ALMO.

8.4.2. It is often the case that an ALMO's perceived poor performance is a catalyst for a Local Authority's housing stock options review – however, well-performing ALMOs have also had their management agreements ended. It is worth acknowledging that ALMOs with a poor relationship with their parent authority are rarely retained; on the other hand, those ALMOs with positive working relationships with the authority are often in a good position for the renewal of their housing management agreement. This is the case for Lewisham Homes, whose relationship with the London Borough of Lewisham is characterised by healthy amounts of trust and challenge. Details of this relationship are contained in a Lewisham Homes case study in Appendix 2.

8.4.3. In some cases, the Local Authority may have political motivations to bring the ALMO in-house. This may be due to a political view on the role of outsourcing in service delivery, or due to local political pressure, for example from dissatisfied residents. While the political motive can be driven by poor ALMO performance, this is not

always the case. We have found that it is usually the case that the absence of political desire by the parent authority to maintain their ALMO, and no financial imperative to the contrary, will result in the ALMO being brought in-house.

## 8.5. The Changing Role of ALMOs

- 8.5.1. While more than 40 ALMOs have been closed in recent years, there have also been some new additions to the ALMO ranks. Several ALMOs have been created in the post-Decent Homes era since 2010. One of the recent additions is Shropshire Towns and Rural Housing, which manages all of the 4,200 Shropshire Council-owned homes in the Oswestry and Bridgnorth areas. The ALMO was set up as part of the Council's drive to find efficiencies. The Council had been assessing the value for money provided by its services and found that housing management was best delivered outside of the Council.
- 8.5.2. Cornwall Housing is a larger ALMO which was set up in 2012 after Cornwall Council became responsible for landlord services from the three former district councils in the area. Cornwall Housing manages over 10,000 council houses and is an asset-owning company with over 50 homes it has developed itself.
- 8.5.3. There are also instances where the ALMO model has been expanded to include housing management services run on behalf of multiple Local Authorities. East Kent Housing is England's first 'super ALMO'. It manages 17,500 homes and is providing housing services across four Local Authorities in Kent. Set up to achieve savings through shared service agreements, East Kent Housing has a 30-year contract with the four stock-owning councils.
- 8.5.4. Alongside brand new ALMOs, several Local Authorities have renewed or altered the management agreement with their ALMO, resulting in some significant additional service areas and work streams for ALMOs and the creation of 'diversified' ALMOs. While ALMOs have primarily provided housing management services, many councils have handed over services such as homelessness and housing options (Nottingham City Homes), private sector lettings (Homes for Haringey) and even street cleaning (South Tyneside). A number of these 'diversified' ALMOs are also branching out to provide services to third parties. For example, Barnet Homes has become part of a newly-created ALMO group 'The Barnet Group' which has taken on areas of Adult Social Care service delivery from the London Borough of Barnet. Case studies for Barnet Homes, Homes for Haringey and Nottingham City Homes are included in Appendix 3.
- 8.5.5. Despite these changes to the role that ALMOs are playing, some ALMOs remain 'thin'. A 'thin' ALMO focusses principally on delivering HRA services, including tenancy management and sustainment, and property management. A thin ALMO may also include the HRA housing development function. Examples of thin ALMOs include Lewisham Homes and Sutton Housing Partnership. We would consider THH a 'thin' ALMO. More information about 'thin' ALMOs is contained in Appendix 4.

## 9 | Option 1: In-House Management

### 9.1. Introduction

- 9.1.1. For LBTH the in-house option represents the most significant change from the status quo, with impacts on the structures, processes and ways of working at the Council. The implication for THH, is that it would cease to exist and the services it provides would be brought back into LBTH in 2020.
- 9.1.2. This chapter provides a high-level overview of the likely implications of choosing to bring THH in-house. As with all options reviewed, were LBTH to pursue this model an assessment and business case would need to be developed.

### 9.2. The Context for LBTH

- 9.2.1. The option under consideration, as per the scope of this review, is of the housing management service being brought in-house in 2020. This is due to the current management agreement between LBTH and THH expiring in July 2020.
- 9.2.2. Separate to the ALMO review, LBTH already has plans to bring the refuse collection service in-house to be delivered by the Council in 2020. The decision to bring the service in-house primarily follows the expiration of the current contract with Veolia and an assessment of the future options which found that the service could be delivered in-house with no additional cost. The evaluation did not show that there would necessarily be an improvement in services or cost savings generated.
- 9.2.3. LBTH is also in the process of a significant internal transformation programme. The 2022 Blueprint sets out LBTH's aims to be a dynamic, outcomes-based organisation using digital innovation and partnership working to respond to the Borough's changing needs. It includes transformation in seven key "S" areas, including:
  - Strategy: A new strategic plan will be underpinned by a core set of strategies in ICT, People and Customer and will look to insight, intelligence and horizon scanning to interpret a changing landscape
  - Structure: There will be a reduction in budgeted establishment including reduced management layers and a cross-skilled matrix workforce
  - Systems: LBTH will implement cloud-based solutions to lower infrastructure costs, enable agile working and create a repository for information that can be used for insight and intelligence
  - Staff/Workers: There should be improved customer satisfaction and a high level of staff engagement. LBTH will invest in its people and will work towards employee self-service.
  - Skills: LBTH will promote active and independent learning and will encourage multi-skilled workers, progression and business continuity.

- Shared Values: TOWER values will be embedded throughout the organisation in policies, processes and people
  - Style: The desk to staff ratio will be 1:2, Office 365 will enable agile working and leaders will lead by example, collaborate and promote core values.
- 9.2.4. In addition, LBTH is due to move its office accommodation to the new Town Hall building in Whitechapel. The Whitechapel Civic Centre will bring LBTH, THH and other partners such as those in healthcare together to form a central hub in the community. It is estimated that £78m will be made from the sale of old council buildings, which will go towards the £105m total project costs of the new Civic Centre. The move is due to take place in 2022 and, if the ALMO is retained, will see the integration of THH staff and systems into the new shared office environment.
- 9.2.5. Both the transfer of responsibility for refuse collection to an in-house function and the delivery of the Council's internal transformation programme are significant activities that will require resource within LBTH to be delivered successfully. These activities may therefore limit the available capacity in LBTH to manage a successful transition of housing management services from the ALMO into the Council in the same time period.
- 9.2.6. While LBTH may be able to deliver a successful transfer of the ALMO's services back in-house in 2020 alongside the refuse collection and transformation programme, these other activities will bring additional risk to loss of service quality and loss of the potential financial benefits of in-sourcing. Even without the transformation programme and refuse collection changes, 2020 may be too challenging a target date for bringing the ALMO in-house, given the necessary preparation and processes to successfully transfer the service.
- 9.2.7. If LBTH were to bring THH in-house, delaying the date for this transfer until LBTH has successfully completed the changes to refuse collection and the transformation programme would help to reduce these risks. If LBTH were minded to bring the ALMO in-house, it may be more suitable to do so following the move to the new Civic Centre in 2022 and the associated integration of some LBTH and THH back-office systems and processes.

### 9.3. Financial Implications

- 9.3.1. Bringing an ALMO in-house requires initial investment to cover expenses related to office moves, rebranding and communication, legal costs for license / contract commuting, and redundancies (potentially in both the ALMO and Council).
- 9.3.2. However, the case has been made that bringing an ALMO back in-house can result in long-term cost savings, which can off-set the initial costs. The principal areas that are targeted for long-term cost reductions are:
- Executive staffing costs
  - Office accommodation costs
  - Clienting costs

- Board / governance costs
- Business support / corporate services / 'back-office' costs

- 9.3.3. If provision of housing management were to return to an in-house council service, we would expect the senior management structure for THH to be rationalised to fit within LBTH's management structure. The actual structure would be a matter for detailed consideration and hence the potential savings to staff costs cannot be outlined at this stage. Typically, returning ALMOs target savings of between £200-400k per annum as a result of executive management rationalisation. This is highly dependent on how the housing service is integrated into the parent council's existing management structure. It's also worth noting that any annual savings to senior management staffing costs is preceded by significant redundancy costs.
- 9.3.4. Although there would be savings in clienting and board costs, the THH board would be replaced by the consideration of housing issues at full council, executive and other committees. Savings made by the loss of a clienting function, would likely be somewhat offset by the additional time council officers would need to spend on the housing service.
- 9.3.5. Another common area where potential savings can be made is in office accommodation. However, the cost reductions associated with sharing office space do not require the ALMO to be brought back in-house. We understand that Therefore we would not expect to see further savings in office space rationalisation from bringing the ALMO in-house.
- 9.3.6. Based on our discussions with stakeholders, both LBTH and THH consider that there is very little overlap in their activities or functions, particularly in regard to 'back-office' functions such as finance, HR and IT<sup>13</sup>. This suggests that there would be only limited savings from transferring THH's activities back to the council.
- 9.3.7. The lack of obvious duplication or overlap in these commonly targeted functions increases the risk that the possible impact on performance from the disruption caused by the transfer might negate any perceived savings available. It would only take a very small decline in service performance, for example, an increase in voids/bad debts to wipe out the limited potential savings described above – much smaller than the improvements already achieved. For example. a 0.1% reduction in income (whether through voids or bad debts) would negate £90k of any cost saving made.
- 9.3.8. However, through combining services currently delivered separately by LBTH and THH there may be scope to achieve efficiency savings in some operational areas. Stage One of this review found that THH has a high-performing, if relatively high-

---

<sup>13</sup> We understand that there is very little overlap in the finance functions in the two organisations, and that IT support is provided to THH by LBTH through a service level agreement.

cost ASB service. We understand that LBTH's ASB service is similarly high-cost. Therefore, there may be an opportunity to achieve cost-savings through combining the ASB functions of LBTH and THH. This could be achieved through bringing the ALMO back in-house, however, it could also be achieved through transferring THH's ASB service to the Council or the Council's ASB service to THH. These options are explored further in Sections 4 and 5 below.

- 9.3.9. More detailed work would be needed on the potential savings that would arise if LBTH decided to pursue bringing the ALMO back in-house. Some councils have achieved savings, but others have not reported on the financial impact of bringing the service in-house. Research in the housing association sector suggests that planned savings on mergers are often not realised; this would be a risk for LBTH.
- 9.3.10. When Enfield Homes was reintegrated, the Council reported efficiency savings due to consistency of services. One year after the service was brought in-house, revenue cost savings of approximately £1m p.a. were reported by the Council; whether this was revenue cost reduction or net of implementation costs is not clear. One example of these cost savings due to joined-up services included grass verges on estates being kept in the same way as highway verges.
- 9.3.11. When Lambeth Living was reintegrated back into the Council, the Council listed financial savings as one of the benefits of bringing the service in-house. The Council promised to re-invest these savings into housing services - any savings achieved have not been reported on. A case study about Lambeth Living is included in Appendix 3.
- 9.3.12. In-housing council housing management often lacks the transparency on both performance and value for money metrics that is required of ALMOs by their parent Authorities. If LBTH were to bring THH's services in-house, it should consider how it can measure and report on the impact on both services and costs of the transfer.

#### 9.4. Legal Implications

- 9.4.1. The current management agreement shall expire on 7th July 2020 unless extended or subject to earlier termination. If there is no extension agreed it expires on the 12th anniversary date. Under the agreement if LBTH wishes to extend the agreement for one or more further periods of up to five years they can do so by giving no later than 6 calendar months' notice before the date on which the Agreement would otherwise expire.
- 9.4.2. Regardless of the dates, if the parties are in agreement, they can negotiate an extension of the current agreement (subject to any agreed amendments) now if that is what both parties want.
- 9.4.3. If the Agreement is not extended and/or LBTH wishes at a later stage to terminate it, it can do so under Clause 65 if the ALMO or if a director commits one of a set number of breaches including: "A material breach of any of the Organisation's obligations under the Agreement or commits a breach of any of the Organisation's

obligations under the Agreement which is not capable of being remedied"<sup>14</sup>.

9.4.4. Other causes entitling LBTH to terminate the Agreement early include:

- Significant structural changes in staffing
- A director or senior manager being convicted of dishonesty
- Various actions by creditors under insolvency legislation
- Significant delay.

## 9.5. Consultation / Communications Implications

9.5.1. Under Section 105 Housing Act 1985, Local Authorities are required "to maintain such arrangements as it considers appropriate" with "its secure tenants" who are likely to be "substantially affected by a matter of housing management". Section 105 adds "the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements".

9.5.2. Paragraph 3.7 of the paper supporting the extension of the additional two years notes: "The DCLG recognises the ballot as the preferred mechanism for the majority of authorities in testing their tenants' opinions in respect of changes to management arrangements; it is not a legal requirement". The paper further notes in paragraph 3.8: "However, a wider consultation with residents on how they view the housing services should be delivered will be conducted before the Management Agreement expires in 2020 (should the extension be agreed)".

9.5.3. If LBTH were to pursue in-house management, it would need to complete consultation with all relevant stakeholders. The method of consultation varies from organisation to organisation and LBTH would need to be able to prove that the outcomes represent a statistically valid response. There is no legal requirement to conduct a ballot.

9.5.4. By section 137 Housing Act 1996, "every body which lets dwelling-houses under secure tenancies" is required to publish information "in simple terms" as to the effect of such agreements. There are also similar obligations to consult and publish information under the Localism Act 2011. This means that LBTH would need to ensure there is a full and complete consultation process with all key stakeholders. Failure to consult effectively could expose LBTH to judicial review.

## 9.6. Clienting and Governance Implications

9.6.1. In this option, THH would cease to exist, and therefore the functions of the THH

---

<sup>14</sup> Please note, a "*material breach*" or any other breach not capable of remedy. A "*material breach*" is not defined; but is generally considered to be one that goes to the heart of the Agreement.

board would be replaced by the consideration of housing issues at full council, executive and other committees.

- 9.6.2. Consideration should be given to the succession of bodies such as the THH board and the Residents' Panel, and how resident engagement and scrutiny can continue to be delivered, if the ALMO is brought back in-house.
- 9.6.3. Brent Housing Partnership engaged with tenants at multiple levels of their governance structure, including through resident board members, a board scrutiny panel and a resident readers panel.<sup>15</sup> Before reintegration, the ALMO had six residents on its board. Following the reintegration of housing services in Brent, the Council has developed its own resident engagement strategy including inviting residents to review services and join scrutiny panels. Brent Council is currently forming a volunteer Customer Experience Panel which will bring together twelve residents to focus on tenant issues and scrutiny.<sup>16</sup> The Panel will report to the Council's Executive Management Team.
- 9.6.4. LB Lambeth is currently working with the Tenants' Council and Leaseholders' Council to rearrange their resident engagement structure. The new changes seek to widen the engagement process and enable more to be facilitated online. Current structures include the Lambeth 500+, an online consultative platform designed to engage with residents as well as TRAs, Area Boards, a once per-annum resident assembly and task and finish groups. More information about LB Brent and LB Lambeth's ALMO reviews is found in Appendix 1.
- 9.6.5. Another impact of bringing the housing service in-house would be that the current clienting function within LBTH would also cease to be required in the same way. However, it is often the case that the resource requirement of the former client team is still required to continue to compile performance reports and support policy and strategy development for the in-house housing function. Again, the clienting function would need to be the subject of a discrete appraisal should the Council decide to bring the ALMO in-house.

## 9.7. Risk

- 9.7.1. The most significant financial risk with this option is failure to achieve savings that justify the effort required to successfully bring the housing service in-house. Given the relatively low level of overlap of functions between THH and LBTH, the expected cost savings from job posts alone is not likely to be significant. Therefore, the risk of failing to achieve meaningful cost savings is higher than for other ALMOs where there is greater evidence of overlap or duplication of roles and functions.
- 9.7.2. The major operational risk is that the benefits of a single purpose, tenant-focussed

---

<sup>15</sup> Brent Housing Partnership 2014 Annual Report

<sup>16</sup> LB Brent Your Voice Magazine Summer 2018

organisation would be lost which could lead to a deterioration in service delivery standards and a consequent decline in tenant satisfaction. This risk certainly applies to THH which has seen improvements in a number of its service areas over the last 2-3 years as a result of an organisation-wide focussed service improvement programme.

## 9.8. SWOT

9.8.1. Here we record the strengths, weaknesses, opportunities and threats of this option.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ May encourage closer working between housing and other council departments</li> <li>▪ May help to ensure delivery of LBTH's strategic objectives through having direct control of the housing management function</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of transferring the service in-house</li> <li>▪ Dilution of cultural and organisational focus on housing (including loss of a dedicated board)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Opportunity to improve efficiency and reduce costs in some areas through rationalising governance structure and some operational functions</li> <li>▪ Opportunity to bring housing into LBTH's wider transformation programme</li> <li>▪ Opportunity to integrate good ways of working in THH into related functions in LBTH</li> <li>▪ May create more opportunities for staff to move within and between the newly created housing department and other Council areas</li> </ul>	<ul style="list-style-type: none"> <li>▪ LBTH is bringing the refuse collection service in-house in 2020. This may negatively impact the Council's capacity to transfer the housing service whilst maintaining current service quality</li> <li>▪ Potential loss of formal governance and scrutiny structures that residents can currently be involved in</li> <li>▪ Potential to disrupt THH's existing service improvement and transformation programmes leading to failure to deliver benefits from those activities</li> <li>▪ Potential loss of performance culture and reduced scrutiny may lead to a reduction in performance</li> <li>▪ Risk that anticipated cost savings are not achieved. (See "Homes for Haringey" in Appendix 3)</li> <li>▪ Risk of reduced staff morale within the housing service.</li> </ul>

## 10 | Option 2: Management Agreement Extension

### 10.1. Introduction

- 10.1.1. Being largely focused on the delivery of housing management and related services within the HRA, THH can be described as a 'thin' ALMO. Although specialist services provided by THH (such as domestic violence support, money management support and resident employment training) were once considered as falling outside the scope of a thin ALMO, it is becoming more common for thin ALMOs to offer these services today.
- 10.1.2. This option represents a continuation of the status quo that would result from an extension of the existing management agreement.

### 10.2. Financial Implications

- 10.2.1. As extending the existing management agreement is essentially a continuation of the status quo, there would be no particular financial implications of adopting this option.
- 10.2.2. As covered in Section 5.8 of Part One of this report, the HRA balance and revenue account is positive and there are large contributions to capital from reserves to fund the capital programme. The long-term HRA is growing its surplus even after significant contributions to capital. The HRA medium-term business plan is now less constrained than in previous years due to the removal of the debt cap and the Higher Value Voids levy.
- 10.2.3. THH is currently delivering savings against a target set by LBTH to achieve a cost reduction of £6m over five years from 2017 (£2m in 2017/18, and £1m p.a. thereafter). Retaining the ALMO by extending the current management agreement will enable THH to continue to deliver savings for the remainder of the cost-saving target period of 2017/18 – 2021/22. If LBTH decides to extend the existing management agreement, it should consider whether to also extend the savings target, subject to an appropriate scoping exercise.

### 10.3. Legal Implications

- 10.3.1. If LBTH simply wishes to further extend the agreement, we believe it can do so by way of negotiation and consultation. It may be that a new agreement is required albeit on the same or similar terms as this agreement.
- 10.3.2. Clause 62.2 of the management agreement confirms "The Council shall be entitled (without any obligations whatsoever) to extend the term for one or more further periods of up to five years ... by giving notice to this effect to the organisation no later than six calendar months before the date on which the Agreement would otherwise expire pursuant to Clause 62.1".

## 10.4. Consultation / Communications Implications

10.4.1. As with the in-house management option, under Section 105 Housing Act 1985, “the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements”. Therefore, if LBTH wishes to retain THH by extending the existing management agreement, we would recommend that LBTH shares the rationale for its provisional decision and consult relevant stakeholders.

## 10.5. SWOT

10.5.1. Here we record the strengths, weaknesses, opportunities and threats of this option.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ THH has delivered improvements against performance indicators and cost reduction targets in recent years</li> <li>▪ In general, ALMOs are able to develop a clear housing brand, goal and visions, which is easily understood to those who interact with it. This also separates the reputation and brand of the housing service from the Local Authority which is welcomed by some parent Local Authorities. Nottingham City Homes, an award-winning ALMO with high levels of customer satisfaction, has adopted this approach. More information on Nottingham City Homes is found in Appendix 3.</li> <li>▪ As opposed to a diversified ALMO, being engaged in fewer types of business activity can bring focus to the organisation and can enable the ALMO to operate without the broad skill set among senior management and board that is required in organisations with more diverse business activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In general, any ‘value added’ by the ALMO to the Local Authority is only in housing services; benefit is not felt in other services</li> <li>▪ As opposed to a ‘diversified’ ALMO, retaining THH with its current delegated responsibilities limits how much the ALMO can grow, restricting opportunities to generate income for the Local Authority</li> <li>▪ As opposed to bringing the ALMO in-house, retaining THH could prevent potential synergies that may exist between housing management and other delivery areas</li> <li>▪ Without a compelling reason to retain the ALMO in the post-Decent Homes era, a decision to extend the management agreement ‘as-is’ may just delay the ALMO coming in house in the future</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ The ALMO already has a service improvement programme in place and therefore has the opportunity of improving services in the future.</li> <li>▪ Extending the existing management agreement would enable the ALMO to continue to deliver against cost reduction targets set by LBTH until 2022.</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is a risk that after an extension of the management agreement, THH fails to achieve cost reduction targets, planned performance improvements, or address other issues identified in Stage One.</li> </ul>

## 11 | Option 3: Extension with Fewer Services

### 11.1. Introduction

11.1.1. This option would involve extending the management agreement for THH but varying it to transfer some services and functions from the ALMO to the Council. This would result in making THH a 'thinner' ALMO.

### 11.2. The Context for LBTH and THH

11.2.1. As discussed above in paragraphs 4.2.3, LBTH is currently delivering a major transformation project across Council services. A significant element of this transformation is the centralisation of a number of functions that are currently dispersed across different directorates within LBTH.

11.2.2. Following the Council's transformation plan, it may feel that some high-performing Council functions could more effectively and efficiently deliver services either to, or instead of THH. We understand that there are no plans to centralise any THH functions for the foreseeable future.

11.2.3. It is important to keep in mind that THH is already what may be considered a 'thin' ALMO. It is more commonly the case that variations to management agreements result in a greater number of services being delivered by the ALMO. Based on the lack of precedent for partially bringing ALMO services in-house, the absence of plans within the Council, and our findings in Stage One of this report, it is not clear that there are any service areas which are strong candidates for transfer from THH to LBTH.

### 11.3. Financial Implications

11.3.1. If service delivery functions were transferred from the ALMO to the Council, we would expect this to be accompanied by a corresponding reduction in the management fee paid by the Council to THH. The amount reduced would have to be negotiated. To ensure that such a change was delivering value for money, care should be taken to ensure that the cost of delivering the service by the Council does not cost more to the HRA than it did under the ALMO.

11.3.2. Moving service delivery functions to the Council will also likely impact on the relative cost of business overheads within THH. Unless corresponding cost reductions are made, THH having fewer services, turnover (management fee), and staff will likely result in higher relative costs (per employee) for HR, office accommodation, executive team, board costs, transformation / change management etc.

11.3.3. In addition to THH overheads, it would also impact on the relative cost of the Council's ALMO clienting function. LBTH should take care to assess the wider financial impacts of any services under consideration for being brought in-house to the Council.

11.3.4. In the case of a back-office service (such as finance) being moved in-house from the ALMO, an SLA would be required (as is already the case with a number of services provided by the Council to THH). This could have the impact of reducing, maintaining, or increasing costs to the HRA as a whole. Whatever the case, in such a scenario, THH's control over their cost base would be diminished and their ability to deliver against cost reduction targets may be limited.

#### 11.4. Legal Implications

11.4.1. LBTH can vary or alter the services offered pursuant to Clauses 63 and 64 of the management agreement. In effect, LBTH (after consultation with the ALMO) may vary the Agreement by increasing or decreasing the number of services offered.

#### 11.5. SWOT

11.5.1. Here we record the strengths, weaknesses, opportunities and threats of this option.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Having fewer services (depending on which services) could result in the ALMO developing a more focused organisation purpose and culture.</li> <li>▪ Could be a route to phase the transfer of services out of the ALMO while reducing the disruption of a 'big bang' approach.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Partial in-sourcing of housing management functions would split the responsibility for housing management, losing cohesion of approach and ease of working across teams within the ALMO.</li> <li>▪ Sharing housing management services across both the ALMO and Council would likely confuse some Council tenants, some of whom are already unclear about the division between the responsibilities of the two organisations.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ If the Council in-sources functions that are currently working particularly well in the Council, there is the opportunity to make efficiency savings to the HRA and / or service improvements.</li> <li>▪ Some less well-performing functions in the ALMO could be improved by bringing them in-house and the additional scrutiny that would bring. Cost could also be potentially reduced if economies of scale across the Council could be realised</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is a risk that moving a function or service in house could cause disruption which negatively impacts on the cost and / or quality of the service.</li> <li>▪ Splitting core housing management functions across the Council and THH could lead to a lack of clarity of roles and responsibilities that leads to service failure in some cases.</li> <li>▪ Splitting services could create duplication where roles were not clear leading to inefficiencies.</li> </ul>

## 12 | Option 4: Extension with More Services

### 12.1. Introduction

- 12.1.1. A further option considered in this review is for THH's management agreement to be extended and varied, with the ALMO being contracted to deliver more services on behalf of the Council. ALMOs that have taken on significant additional service areas and workstreams can be considered 'diversified'.
- 12.1.2. The types of services that diversified ALMOs deliver include those previously delivered by the Local Authority, such as homelessness and housing options (Barnet Homes), new-build housing development (Stockport Homes) and even street cleaning (South Tyneside Homes).
- 12.1.3. A number of these 'diversified' ALMOs are also branching out to provide services to third parties, such as Barnet Homes, which provides private sector lettings and a short break respite service; and Nottingham City Homes, which is now parent to a group which includes a Registered Provider and a commercial vehicle offering market rent homes let on long-term tenancies. More information about services offered by Barnet Homes and Nottingham City Homes is found in Appendix 3.
- 12.1.4. Alongside the core housing services usually delivered by ALMOs, additional services that have been delivered by 'diversified' ALMOs include:
- Landlord licensing
  - Homelessness services
  - Adult social care
  - Private rented sector management
  - Management and maintenance of other LA assets
- 12.1.5. For THH this model would mean taking on and delivering additional services on behalf of LBTH.

### 12.2. THH's Enhanced Offer to LBTH

- 12.2.1. During the course of this review THH has provided an 'Enhanced Offer' to LBTH which outlines additional or enhanced services that it would seek to provide should the management agreement be extended. These are presented as activities which respond to LBTH's strategic aims where there is both a direct benefit to THH's residents, and where THH is able to extend services in which they are currently delivering good practice and value for money.
- 12.2.2. The enhanced offer is centred around core themes that THH believes it is best placed to deliver on. These themes reflect some of the objectives highlighted in LBTH's 2016-2021 Housing Strategy and wider strategic objectives. They include:

- Ensuring homes are safe and decent with THH delivering on the £154m of Better Neighbourhoods funding for external major works and communal improvements
- Effective resolution of complaints with THH's strong track record on complaints with 96% of stage one complaints resolved on target
- Empowering residents and strengthening the regulator via THH's maintained relationship with residents' organisations and commitment to consultation and active participation by residents
- Tackling stigma through promoting skills and inventiveness of local communities, and through placemaking by improving the look and feel of estates away from that of classic municipal housing
- Expanding supply and supporting home ownership by THH successfully managing handover of new builds and by carrying out detailed analysis on how to create new affordable homes from existing stock, including through rooftop development.

12.2.3. To respond to these strategic objectives, THH's Enhanced Offer proposes several service areas the ALMO may be able to expand or adopt on behalf of the council. These include:

- Taking responsibility for all ASB in the borough
- Delivering diversionary activities for young people at risk of ASB into employment
- A second stage in the leasehold service improvement programme
- Fire safety inspections across other Council-owned or managed properties as well as the private sector
- Managing LBTH's temporary accommodation activities

12.2.4. We understand that the offer document follows work by the ALMO to identify key areas where it believes it can add value to the Council. Amongst THH board members, who input into the review, there was significant support for THH to work more broadly across the borough to deliver ASB services.

12.2.5. The Council has provided an initial view on the potential for transfer of additional service areas into THH management and delivery. In short, there are no existing Council services which are considered suitable for transfer into THH at this stage. Service areas that have been considered include the following:

- **Borough-wide ASB services** – the Council has recently restructured its direct provision to tackle ASB, having carefully reviewed its corporate approach in partnership with the Police and other local agencies, including the interface with THH and managing ASB on Council housing estates. This new service delivery configuration is currently being embedded. This consolidation does not fit with an option of service transfer to THH. There have been THH proposals about activities to divert your people at risk of ASB into employment and this area of

service delivery is already being explored as part of the existing THH management approach on estates.

- **Landlord Licensing** – the Council's Environmental Health service has an existing HMO licensing scheme and is about to introduce an additional licensing scheme, addressing private landlords across the borough. There are important linkages and interfaces with other Council enforcement services. There would not be a good direct fit with THH services which are focused on Council estate management and maintenance.
- **New build** – the Council has introduced a Capital Delivery Team to coordinate property development activity across housing, community, education and other corporate property areas, delivering synergies and building capacity and expertise. Transferring the housing new build programme to THH would undermine this approach and reduce the scope for economies, efficiencies and delivery flexibilities. However, there is scope to explore those new build projects that have an immediate and direct impact on residents, such as the rooftop/air space developments.
- **Fire safety** – the Council has already drawn on THH's fire safety expertise to address commercial properties on housing estates as well as dwellings themselves. However, there is not a strong case for extending this role to other corporate non-residential buildings, where different regulations and protocols apply.
- **Temporary Accommodation** – the Council is a lead participant in the pan-London temporary accommodation procurement and management vehicle called Capital Letters, which involves 13 boroughs working collaboratively through a new not-for-profit company. The intention is for the majority of the need for homeless prevention and temporary accommodation for Tower Hamlets to be met through Capital Letters, which will involve seconding Council staff. It would not make sense to consider a service transfer to THH in this context.
- **Private lettings agency** – in 2016 the Council and THH together explored the option of setting up a lettings agency to secure tenancies from private landlords. However, research showed that other authorities who had pursued a similar approach had very limited success so it was concluded that this would not be pursued further in Tower Hamlets.

12.2.6. The one area of potential new service provision for THH, which has already been discussed in outline, is the provision of management and maintenance services to the Councils two new housing delivery vehicles, namely Seahorse Homes Ltd (providing market rent homes) and Mulberry Housing Society (providing affordable rented homes). Neither of these new vehicles has yet to complete construction or acquisition of new homes, so the prospect of entering into a management agreement with THH remains a future potential. It is also important to note that it will be a commercial decision for each of the respective company Boards of Directors whether to enter into such a contract and on what terms, therefore it would not be appropriate to make a firm recommendation about this possibility within this THH review report.

### 12.3. Non-Council Services

12.3.1. Although not contained within THH's Enhanced Offer, the ALMO could consider branching out into providing services to third parties on a commercial basis. In doing so, a 'diversified' THH could generate net income towards the LBTH General Fund. Examples of income-generating activities that could benefit the General Fund include:

- Sales agency - A service for leaseholders linking to THH's leasehold management service. Commission from re-sales of Council leases could be set at competitive rates to generate an income.
- Discretionary gardening/ handyman service – Given THH's significant network of caretaking staff, offering a discretionary handyman service to THH residents and non-residents may be a viable profitable business.
- Mixed-tenure housing management – This is an area in which some diversified ALMOs operate. This may be an opportunity given LBTH's newly established housing delivery vehicles Seahorse Homes and Mulberry Housing Society.

12.3.2. However, in considering the addition of entirely new 'commercial' services both LBTH and THH need to be aware that they will face the same risks of any new business, and that these activities may not necessarily be successful. Market research and demand analysis as well as recruiting appropriate expertise to lead commercial service delivery would be critical to the success of any new venture.

### 12.4. Financial Implications

12.4.1. If LBTH decides to pursue this option, the income and costs of the additional services that THH intends to provide would need to be fully assessed and fed through the current HRA and overall Council Business Plans to ensure that they both remained viable. In principle, if THH is able to provide the services at no greater cost, and at least of equal quality, the impact should be neutral or positive, although there is likely to be an upfront cost to undertaking the transfer.

12.4.2. If additional council services are transferred to THH from LBTH as part of a varied and extended management agreement, there would likely need to be a corresponding increase to the management fee, although this may be partially offset through additional efficiencies or delivery of new sources of income by the ALMO.

12.4.3. Moving service delivery functions to the ALMO will likely impact on the relative cost of business overheads within THH. THH having more services, turnover (management fee), and staff will likely result in reduced relative costs (per employee) for HR, office accommodation, executive team, board costs, transformation / change management etc. This benefit would be offset to the extent that SLA charges for these services may be increased to reflect the increased activity levels within THH.

12.4.4. However, the movement of services from the Council can have the inverse relationship for Council departments. The loss of particular functions from the Council structure could result in higher relative costs of management and other

overheads. This would be offset to the extent that increased SLA charges to THH may make a greater contribution towards LBTH overhead costs. LBTH should take care to assess the wider financial impacts of any services under consideration for being transferred to the ALMO, considering both the costs and any potential savings. In addition to THH overheads, it would also impact on the relative cost of the Council's ALMO clienting function.

- 12.4.5. In its Enhanced Offer, THH recognises that the drivers for transferring services such as ASB, landlord licensing, fire-safety inspections, and TA administration, would be to improve performance in these areas, and/or improve value for money. As such, THH should develop business cases for LBTH to consider and assess on the basis of THH's capacity and ability to either improve service quality or maintain service quality at a reduced cost.

## 12.5. Legal Implications

- 12.5.1. As indicated in paragraph 4.4.1 above, LBTH can vary the service offer; and as such could increase the services to be delivered by the ALMO.
- 12.5.2. If a new Management Agreement is negotiated in which THH is given extra powers to 'trade for profit', both within the Local Authority area and further afield, LBTH and THH will need to be aware of EU Procurement Regulations and, in particular, the Teckal exemption. Under Teckal, it is important that the "substantial majority" of THH' services need to be provided to LBTH.
- 12.5.3. Further, if wider powers are given to THH to provide new services and to generate income from non-council sources, the Articles of Association of THH will need to be amended. The new Articles will need a wider 'objects' clause drafted and will need to include reference to the Companies Act 2006 to ensure they are compliant with the new Act.

## 12.6. Communication Implications

- 12.6.1. Depending on the services to be transferred there may be existing service users who require consultation, whether formal or informal. This is likely to be less substantial for non-specialist or borough-wide services with a less well-defined user group. For new services being delivered communications would likely focus on marketing the offer and developing the THH brand in new service areas.
- 12.6.2. For both the introduction of new services or the transfer of services from LBTH communication with existing THH residents may be desirable to manage any concerns they have about the shift in organisational focus away from solely affordable housing.

## 12.7. Clienting Implications

- 12.7.1. If THH were to be given more services to deliver on behalf of LBTH, it is likely that the clienting function would need to be reviewed to assess if any additional

resources of meetings / panels would be required. Additional resource may be provided in the form of subject-matter experts (either currently within the Council or provided through external advice).

12.7.2. Considering the proposed additional services contained within THH's Extended Offer, it is likely that the clienting and oversight structure would need to be expanded, at least in the short term, to include an ASB panel/meeting and temporary accommodation panel/meeting.

12.7.3. Such panels should otherwise fit into the existing governance/clienting structure by reporting to either Bi-Op or the Quarterly Strategic Meeting.

## 12.8. SWOT Analysis

12.8.1. Here we record the strengths, weaknesses, opportunities and threats of this option.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ The ability to deliver efficiencies of scale (particularly of overheads and corporate services) as the ALMO grows.</li> <li>▪ Enables LBTH to focus on strategic priorities for more services (such as ASB) as delivery is managed by the ALMO.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates operational distance and control between the Council and any services transferred</li> <li>▪ Moving more services from LBTH and THH would likely require more clienting processes and possibly additional clienting resource</li> <li>▪ Would likely make bringing the ALMO back in-house in the future more challenging</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ There is the opportunity for THH to spread good practice where it already exists within the organisation, to other services on behalf of the Council. This is an opportunity particularly regarding the services contained within THH's Enhanced Offer.</li> <li>▪ The potential for net income generation from the additional services, particularly commercial services which could benefit the General Fund or cross-subsidise community and care services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ If taking on services currently being delivered by LBTH, THH may need to implement new structures and operating models, requiring additional costs which may negate the business case for transferring the service(s)</li> <li>▪ THH may fail to deliver cost savings and/or service improvements in the services transferred to the ALMO</li> <li>▪ The introduction of disparate business streams may lead to the development of silos and different non-cohesive cultures within the organisation</li> <li>▪ Entering new business streams could expose THH and therefore LBTH to significant financial and reputational risk.</li> </ul>

## 13 | Option 5: Extension with Different Services

### 13.1. Summary

- 13.1.1. Options 3 considered the transfer of service from THH to the Council, and Option 4 considered the transfer of services from the Council to THH; however, it is also possible that some services could transfer out of THH to LBTH at the same time as other services were transferred from the Council to the ALMO.
- 13.1.2. The implications for Options 3 and 4 would apply to this option and as such we have not explored it in greater detail.
- 13.1.3. However, as noted in the description of Option 3, there are no current plans for services to be centralised from THH to the Council, and as THH is already a 'thin' ALMO with a focus on the delivery of housing management services it is not obvious what services would be centralised with the Council, particularly if this were to be combined with an expansion of THH's role in other areas.

## 14 | Summary: Review of Housing Management Models

14.1.1. This section compares each of the four primary options using a 'Suitability, Feasibility, Acceptability' (SFA) analysis. This is intended to summarise our findings and to identify which options best fit LBTH's strategic context.

### 14.2. Suitability, Feasibility, Acceptability Analysis

14.2.1. The SFA analysis is a method of considering available options against three key criteria:

- **Suitability** - how suitable is each option in addressing LBTH's strategic objectives for housing and the drive for value for money and quality services, and how suitable is each option in addressing issues identified in Stage 1 of this review?
- **Feasibility** - how simple or complex would each option be to implement? What level of resources would be needed to support the implementation (financial, human and other)?
- **Acceptability** – how acceptable is each option to key stakeholders, e.g. LBTH officers, councillors, residents, THH staff, and broader stakeholders?

14.2.2. This analysis has been applied to each of the housing management models, in light of the implications and strengths and challenges outlined in the sections above. We have Red-Amber-Green (RAG) rated the table below to show where we have scored high, medium and low against the suitability, feasibility and acceptability of each option.

### 14.3. Summary

14.3.1. Stage 1 of this review found that there is no performance or financial imperative to bring the housing service in-house. However, given that THH is largely a 'thin' ALMO, in that it mainly delivers 'core' housing management services, in a post-Decent Homes era, there may not be a compelling reason to retain the ALMO indefinitely.

14.3.2. Given LBTH's transformation programme and its plans to already bring the refuse collection service in-house by 2020, bringing the ALMO in-house over the same time period, at the end of the current management agreement period, may expose the service to greater risk of reduced service quality, and may increase the risk of a costly service failure. Even without these other change activities, 2020 may be too challenging a target date for bringing the ALMO in-house, given the necessary preparation and processes to successfully transfer the service.

14.3.3. Overall, the option to retain THH in its current 'thin' ALMO form scores the highest using this analysis. However, this analysis assumes that THH continues to achieve cost savings against the targets set by LBTH, that resident satisfaction and other performance is either maintained or continues to improve.

	Suitability	Feasibility	Acceptability	Overall Comments
In-house management	Stage 1 of this review found that there is no performance or financial imperative to bring the housing service in-house. THH is generally well-performing and is making financial savings to the HRA in-line with Council targets. Bringing the AMLOALMO in-house risks losing the improvements to the housing service that THH has achieved in recent years.	The option under consideration, as per the brief provided by LBTH for this review, is of the housing management service being brought in-house in 2020. LBTH has plans to bring the refuse collection services (currently delivered by Veolia) in-house in 2020. LBTH is also in the process of a significant internal transformation programme. These two major activities may negatively impact on LBTH's ability and capacity to also in-source the housing service over the same time period. Even without the transformation programme and refuse collection changes, 2020 may be too challenging a target date for bringing the ALMO in-house, given the necessary preparation and processes to successfully transfer the service.	In the course of our review we did not encounter much support for bringing the ALMO in-house in 2020. Some stakeholders felt that if the ALMO does come in-house, 2020 would be too early, given the plans for the refuse collection service and LBTH's internal transformation programme.  Councillors, LBTH staff, and engaged residents did not consider the housing management service in need of such significant a change in delivery model: "the ALMO isn't broken". However, we also did not see evidence of a compelling reason to keep the housing service outside of the Council after 2020.	As the most significant change from the status- quo the implementation of this option presents the greatest risk to the Council in terms of cost and performance. This is exacerbated by other non-business as usual' activity scheduled for LBTH in 2020.  However, many Councils successfully manage their stock in-house, and outside of the risk within the change management programme there is no reason that this would not also be the case for LBTH.  That being said, we have found no compelling reason to pursue this option.
Extension of existing management agreement	While THH's service quality and cost performance is good, with a successful transfer of services LBTH could deliver the same or better quality and cost of services. Given that THH is largely a 'thin' ALMO, in that it largely delivers 'core' housing management services, in a post-Decent Homes world, there may not be a compelling reason to retain the ALMO indefinitely.	Extending the existing management agreement is the most easily implemented option under consideration. It would require a Mayoral decision and the signing of a new management agreement between the Council and THH.	Given that THH is a generally well-performing housing manager and the additional risk of bringing a second major service in-house in 2020 (in addition to refuse collection), we expect that extending the existing management agreement for 3-5 years would be widely acceptable to stakeholders.	As the status quo option this route presents the least risk to the Council and is the 'easiest' option.  In our review we have found no evidence to suggest fundamental problems with the current model, that would suggest the ALMO should not be retained.
Thinner ALMO	Given that THH is already a 'thin' ALMO, it is not clear what services would be better placed being delivered by the Council. The suitability of this option is highly dependent on the particular services (if any) that may be considered.	The transfer of services from THH to the Council would have to be planned carefully to ensure as little disruption as possible to existing services.	There is not widespread support amongst stakeholders for reducing the scope of THH's offer, and there are no current plans to transfer services from THH to the Council.	A partial transfer of services presents lower risk to the Council than fully taking THH in-house. However, as many services are interlinked it may create unforeseen complexity and reduce transparency and accountability.  Further, transferring services from THH to the Council may diminish the case for the ALMO's continued existence.
Diversified ALMO	A detailed business case would need to be developed for each new or transferred service under consideration. The test is not whether THH could deliver those services well, but rather, that THH could deliver them at greater quality and/or more efficiently than LBTH. The suitability of this option is highly dependent on the particular services (if any) that may be considered.	The transfer of services could be administered through amendments to the management agreement and/or SLAs between the Council and THH. Operational transfer would have to be planned appropriately.  With any transfer of operational service, comes risk of loss of service quality (both temporary and long-term), potential additional costs of implementing a transfer, and risks to the culture of an organisation.  To deliver new services THH will likely have to grow or recruit new expertise. All new business ventures are risky, and many new businesses fail. This risk should not be underestimated in considering new business opportunities.	Where a compelling case can be made for THH to offer greater value for money and improved services, some of service transfer or new services are likely to be supported by stakeholders in LBTH and THH. The Council currently sees little rationale for specific transfers of additional services as set out in the THH Enhanced Offer. For residents, it is likely to depend on what service(s) are being transferred to the ALMO. It is important that communication about any transferred services is clear and well communicated to tenants and leaseholders.	To create certainty and service sustainability where new services were transferring into the ALMO the agreement would likely need to be for a reasonable period of time to allow the change management cycle to complete, and THH to embed changes designed to deliver savings or improvement. As such the length of any management agreement extension would need to reflect this.  Collaborative working between LBTH and THH would be required to make a success of the transfer of services, and reporting would need to allow LBTH good visibility on the ongoing performance of transferred services.

## 15 | Recommendations

15.1.1. This section summarises our recommendations for consideration by LBTH and THH. We have split out these recommendations into Stage 1 Recommendations (i.e. recommendations arising from our initial evidence-gathering work) and Stage 2 Recommendations (i.e. recommendations associated with each of the future management options under consideration).

### 15.2. Stage 1 Recommendations

15.2.1. We list below our recommendations based on our findings from the Stage 1 evidence-gathering exercise. It should be noted that many of these recommendations will only be applicable should LBTH decide to pursue a future management option that involves the continued existence of THH.

- The Council should clarify to THH its expectations regarding the ALMO's VfM objectives
- The ALMO's Business Plan should include more explicit reporting of how THH's achievements align with the ambitions of the Council
- THH should continue to target higher leaseholder satisfaction, given the large proportion of leaseholders in their resident body (approximately 45%)
- THH should note the common feedback from both residents and LBTH about the quality of major works and contract management and seek to make improvements as necessary
- THH should give consideration to increasing investment in rent arrears collection (in the context of a service review of the rent collection function undertaken in summer 2018, the recommendations of which are yet to be implemented)
- THH should consider focusing on improving major work recharge collection rates
- THH should implement regular reporting of cost KPIs and/or cost benchmarking to support the ALMO in achieving VfM
- LBTH should consider the purpose of the various bodies in the THH governance / engagement structure to ensure that the division of responsibilities, delegations and terms for each are clear and fit for purpose
- LBTH and THH should work together to formally clarify their respective roles (including the levels of delegation and authority) in order to reduce duplication of meetings, papers etc. between the two organisations
- LBTH and THH should work together to provide clarity over the Council's expectations of the ALMO, and define a common vision for the Council/ALMO relationship
- Consideration should be given to how best to improve communication between teams within THH, between THH and the Council, and between both of these bodies and residents

### 15.3. Stage 2 Recommendations

15.3.1. As detailed in this report, there are a number of options available to LBTH regarding its future housing management arrangements:

- In-house management
- Management agreement extension
- Extension with fewer services
- Extension with more services

15.3.2. We summarise below the recommendations we have set out for LBTH to consider when pursuing any of these options.

15.3.3. Regardless of which option LBTH chooses to pursue a detailed business case should be developed which considers the financial case for the change, and the potential impact of any risks, as detailed in the previous sections.

#### In-house management

15.3.4. This model represents a significant change as the ALMO would cease to exist and the services it provides brought back into LBTH in 2020. This would have an impact on the structures, processes and ways of working at the Council.

15.3.5. If LBTH decides to pursue this option, it should:

- Consider how to ensure that sufficient resource is made available within LBTH to enable the successful transition of housing management services from THH into the Council
- Rationalise the senior management structure for THH to fit within LBTH's management structure and give detailed consideration to how wider staff structures be rationalised in order to achieve savings on staff costs
- Undertake detailed work to estimate the potential savings of the move, and consider strategies to ensure that the risk of service disruption or failing to achieve meaningful savings is mitigated (e.g. ensuring that back-office functions are appropriately resourced)
- Consider how LBTH can measure and report on the impact on both services and costs of the transfer
- Undertake a consultation exercise on the proposed move with relevant stakeholders, and ensure that communication about the decision is timely and clear
- Give consideration to the succession of bodies such as the THH board and the Residents' Panel, and how resident engagement and scrutiny can continue to be delivered

- Consider the future role of the current clienting function

15.3.6. For all options in which the management agreement is extended we suggest that the relationship between LBTH and THH could be strengthened, and greater oversight and assurance given to the Council, by strengthening the role of the clienting team and improving the clarity of its role and strategic priorities.

#### Management agreement extension

15.3.7. This option represents a continuation of the status quo which would result from an extension of the existing management agreement with no changes to the division of service provision between the Council and the ALMO.

15.3.8. If LBTH decides to pursue this option, it should:

- Consider whether or not to extend the savings targets currently in place for the ALMO, subject to an appropriate scoping exercise
- Review services, costs and performance to ensure that both LBTH and THH, and residents, are happy to continue with current arrangements
- Undertake appropriate negotiations with the ALMO regarding the extension of the agreement
- Ensure that the rationale for its provisional decision are clearly communicated to residents, and that relevant stakeholders are consulted

#### Extension with fewer services

15.3.9. This option would involve extending the management agreement for THH but varying it to transfer some services and functions from the ALMO to the Council. This would result in making THH a 'thinner' ALMO.

15.3.10. If LBTH decides to pursue this option, it should:

- Consider carefully which services should be transferred from the ALMO to the Council, as it is not clear that there are any strong candidates for services to be transferred from THH to LBTH. The Council should ensure that the cost of delivering the transferred services by the Council does not exceed how much it cost under the ALMO
- Consider how the reduction in services is accompanied by a corresponding reduction in the management fee paid by the Council to THH; this would have to be negotiated
- Assess the wider financial impacts of bringing services in-house
- Ensure that communications with stakeholders is clear regarding the decision, including clarity on which services are being moved

### Extension with more services

15.3.11. Under this option, THH's management agreement would be extended and varied, with the ALMO being contracted to deliver more services on behalf of the Council.

15.3.12. During the course of this review, THH has produced an 'Enhanced Offer' outlining a range of additional or enhanced services which it could provide to the Council.

15.3.13. If LBTH decides to pursue this option, it should:

- Work with THH to explore the 'Enhanced Offer' which THH has published, in order to establish how much of this offer it wishes to take up
- Work with THH to explore the potential of the ALMO branching out into providing services to third parties on a commercial basis, in order to generate net income towards the LBTH General Fund
- Fully assess the income and costs of the additional services which THH could provide, and feed these through the current HRA to ensure that both organisations remain viable
- Consider the impact of additional service provision by THH on the management fee paid by the Council to the ALMO
- Assess the wider financial impacts of any services under consideration for being moved across to the ALMO, including any associated additional costs and resourcing requirements for the LBTH clienting function (e.g. setting up ASB and/or temporary accommodation panels and meetings)
- Direct THH to develop business cases for individual services which it wishes to take on, for LBTH to consider and assess on the basis of THH's capacity and ability to either improve service quality or maintain service quality at a reduced cost
- Familiarise itself with relevant legal requirements, such as EU Procurement Regulations and in particular the Teckal exemption
- Work with THH to update the Articles of Association in light of the new management agreement and service division
- Co-ordinate with THH to issue consistent and timely communications to all stakeholders affected by the change in service provision. THH will need to justify additional services taken on, potentially through informal consultation with existing service users

## Appendix 1 | Documents Reviewed

Asset Management Strategy V5.1 approved by board and QSM

Bi-OP Minutes (Feb - Sep 2018)

Copy of Management Agreement with Affidavit

Fire Safety Strategy

HouseMark - Tower Hamlets Homes - Detailed analysis of operating costs (October 2018)

HouseMark Schedules for Tower Hamlets Homes 20181029

Information Showing the Impact of MyTHH Apr-Dec 2018

LBTH 2016-21 Housing Strategy

LBTH-THH MA Extension DMT

Mayor's Housing Meeting Notes (Feb - August 2018)

Mayor's letter (THH lease extension)

Public reports pack 03rd-Oct-2007 17.30 Cabinet

Quarterly Strategic Meeting Minutes (Jan - July 2018)

Repairs Project Presentation MonOp 260515

The Councils Landlord Service\_Cabinet report 070207

THH Accommodation Cost projections (2018/19)

THH Briefing on 2019 restructures

THH Briefing on arrears collection in Lessee Services December 2018

THH Briefing on Tenant Income Collection

THH Business Plan 2018/19

THH CEO Reports (Feb 2017 - July 2018)

THH Governance and Resident Engagement

## Appendix 2 | Benchmarking Comparators

### LA and ALMO Comparators

- Barking and Dagenham
- Barnet Homes
- Brent
- Camden
- City of London
- Croydon
- Ealing
- Enfield
- Greenwich
- Hackney
- Hammersmith and Fulham
- Homes for Haringey
- Harrow
- Havering
- Hillingdon
- Hounslow
- Islington
- Kensington and Chelsea
- Kingston upon Thames
- Lambeth
- Lewisham Homes
- Newham
- Redbridge
- Southwark
- Sutton Housing Partnership
- Waltham Forest
- Wandsworth
- Westminster

### Private Registered Provider Comparators

- East End Homes
- Genesis Housing Association
- One housing Group
- Peabody Trust
- Poplar HARCA
- Southern Housing Group
- Swan Housing Association
- Tower Hamlets Community Housing

## Appendix 3 | Case Studies: In-House Delivery

### LB Lambeth

#### Key learning points from case study

- Motivations for in-house delivery include joining up all council services
- Development of a wholly owned development company to increase development for a growing social housing waiting list, while working with housing management service in-house

LB Lambeth is an inner London borough in south London; it has c.24,000 homes of council stock. Lambeth Living was set up in 2008. In June 2015 housing management was returned to the Council. In returning housing management services to Lambeth Council, the Council issued a statement that moving services in-house would help address the following:

- Improved communication with residents
- More joined up working with housing and other council services
- The need to review resident engagement
- Delivery of a quality housing management service in particular repairs and maintenance

In 2010, Lambeth Living faced considerable pressure by the Council to improve performance to access Decent Homes funding. Lambeth Living did not achieve the “two stars” needed for Decent Homes funding, and by the time the ALMO was brought in-house, the Decent Homes funding model had changed. In 2015, the Council decided that the ALMO no longer served the purpose that it was originally intended for and, increasingly challenging funding regimes meant that the Council believed it could offer better value for money.

Now that the Council manages the stock, resident involvement is primarily conducted through tenant and resident associations (TRAs). There are c.80 TRAs in the borough covering 60% of Lambeth Council’s properties. This is similar to the structure that existed under Lambeth Living, although the Council has plans to move to a structure with other participation options including an online engagement tool. In 2017, 70% of tenants and 43% of leaseholders were satisfied with the overall housing services provided by the council.

## LB Hillingdon

### Key learning points from case study

- New funding models and the end of Decent Homes means that ALMOs can be brought in-house without losing financing opportunities
- Removes duplication to release efficiency savings
- May reduce accountability to residents of council homes.

LB Hillingdon is an outer London borough situated in West London. It has c.10,000 homes of council stock. Hillingdon Homes was set up in 2003 in the “Round 2” period of ALMO creation. In February 2010 LB Hillingdon became the first Local Authority to announce it was taking its ALMO back in-house. Since October 2010, housing management has returned to the Council.

An in-house delivery model means that the Local Authority is responsible for managing its stock. For LB Hillingdon, bringing the ALMO in-house cost £300,000, but it was expected to save £300,000 each year by rationalising governance and support services. This has not been monitored, so it is not clear if these savings were achieved in practice. Housing now sits within the Residents’ Services directorate. The housing function is responsible for:

- Tenancy services
- Housing needs
- Home ownership and RTB
- Rent collection
- Traveller site management
- Private sector housing
- Caretaking and estate services
- Housing policy

Hillingdon Homes had performed well and had completed the Decent Homes programme when it was brought in-house. LB Hillingdon argued that it could not justify running a separate company to manage housing at a time of severely restricted budgets. It felt that increases in flexibilities and freedoms promised by the Government for ALMOs had not materialised, while freedoms to borrow and new build had been extended to Local Authorities. This enabled LB Hillingdon to bring its ALMO in-house without being disadvantaged financially.

Resident involvement is primarily conducted through a customer senate, which provides little scrutiny and has a limited impact on the strategic priorities for housing delivery. LB Hillingdon has not measured resident satisfaction since the ALMO was brought in-house.

## LB Hackney

### Key learning points from case study

- The end of Decent Homes and lack of political will may lead to closing ALMOs in spite of positive performance indicators
- Some ALMOs work with the council to ensure the process of going in-house is not negative for services or staff

LB Hackney is an inner London borough that borders Tower Hamlets, it has c.22,000 homes of council stock. Hackney Homes was set up in 2006 to access Decent Homes funding. In 2014, a joint proposal was made from the Hackney Homes Board and Hackney Council to consult with leaseholders to return housing management to the Council in 2016. Since April 2016, housing management has returned to the Council.

Hackney has an in-house delivery model, which means that the Local Authority is responsible for managing its stock. When LB Hackney took back housing management responsibilities from Hackney Homes, services included:

- Tenancy services
- Housing advice
- Home ownership and RTB
- Estate services
- Leaseholder and freeholder services
- Rent collection
- Tenant finder and guaranteed rent services in private sector
- Housing policy

In 2015, Hackney Council announced that the ALMO was to be brought in-house despite a decade of good work and improvements to the Council's housing offer. The Council claimed that the ALMO had successfully built relationships with residents which the Council aimed to evolve more efficiently in the future. Decent Homes ended the year it was decided to bring the ALMO in-house, and so demonstrates that despite positive performance, the council lacked the political will to maintain the ALMO in the post-Decent Homes era. The board of the ALMO and Hackney Council worked together throughout the transition.

Resident involvement is primarily conducted through a tenant scrutiny group and tenant and residents' associations (TRAs). Following the decision to move in-house, the board of the former ALMO was maintained for transition purposes but was eventually dissolved, although the tenant scrutiny panel has continued to meet and publishes quarterly reports. LB Hackney continues to publish housing performance reports on their website, including an annual report to tenants.

## LB Brent

### Key learning points from case study

- A combined concern for lack of satisfaction improvements over a recovery period and a desire for efficiency saw a return of Brent stock back to the council
- Wider social housing themes, such as digitalisation, can influence whether or not the ALMO is perceived as fit for the future

LB Brent is an outer London borough in north-west London; it has c.11,500 homes of council stock. Brent Housing Partnership (BHP) was set up in 2002 to manage the Council's stock and was one of the few ALMOs with Registered Provider status. The Council provided a number of support services to BHP including accommodation at the Civic Centre, IT, payroll and legal support.

In 2016, LB Brent undertook a housing options review to review BHP in light of poor performance. Options were presented by the Council to maintain a transformed version of BHP, to return services to the council, or to engage in a partnership with another organisation.

A transformed BHP would have required BHP to appoint a smaller, skills-based board, reforming its leadership team, creating an enhanced client-side function within the Council and improvement resident engagement. The option to retain the ALMO would have required further integration with the Council's services to avoid duplication across the Council and ALMO. Ultimately, the Council decided that in light of control and financial considerations the Council would bring housing management services in house.

In 2017, Brent's stock was returned to the Council to be managed in-house. The following services once controlled by BHP now sit with the Council:

- Tenancy Management (including client responsibility for two TMOs)
- Leaseholder Management
- Property services
- Development services

Resident involvement is primarily conducted through a Customer Experience Panel (CEP), or scrutiny board, and a contractor review group. Brent also facilitates various resident bodies and TMOs. Brent publishes an annual report for residents to highlight and evaluate resident involvement, the most recent of which (Winter 2018) identifies how Brent will address common resident complaints and outlines an intention to develop housing standards (a "Housing Promise").

Information on resident satisfaction has not been collected since the ALMO was brought in-house. Prior to bringing the ALMO in house, BHP saw 50% leaseholder and 66% tenant satisfaction with overall services.

## Appendix 4 | Case Studies: 'Thin' ALMOs

### Lewisham Homes

#### Key learning points from case study

- Focussed on delivering housing – achieving very low costs
- Has seen satisfaction rise from 58% to 77% over a ten-year management period to 2017, an improvement over in-house management levels.

Lewisham Homes is an ALMO, which was established in January 2007 and manages approximately 13,000 tenanted and 5,000 leasehold homes on behalf of LB Lewisham. Lewisham is an inner London borough.

Lewisham Homes is an example of a 'thin ALMO'. This means that it focuses primarily on developing excellence in its core housing business, rather than expanding into a range of other services, although Lewisham Homes is also delivering new build homes on behalf of the Council. To deliver a strong housing offer, Lewisham Homes has identified four strategic objectives:

1. Providing Excellent Services
2. Developing Thriving Neighbourhoods
3. Planning for a Sustainable Future
4. Being an Employer of Choice

As the business includes only core housing services, Lewisham is able to focus on delivering these, rather than having to manage other priorities and business types. It is successfully delivering on its capital programmes and provides a low-cost service. Since 2013/14 Lewisham Homes has been acting as a developer on behalf of LB Lewisham for new social housing.

Lewisham Homes has a strong relationship with its sponsoring Local Authority, LB Lewisham. In 2013/14 Lewisham Council considered the future of the ALMO and decided that future management of its housing stock in the short-term would be by the ALMO. In 2017, a consultation with residents saw the extension of the contract with Lewisham Homes for an additional ten years through to 2027.

Lewisham Homes has a strong resident engagement strategy. Local engagement is facilitated through over 30 tenants and residents' associations, three areas panels and a combined area panel, two TMOs, and several assemblies, partnership boards, forums and improvement groups. A resident inspection programme helps Lewisham Homes monitor the quality of their resident engagement service.

Lewisham homes publishes annual reports that cover key outreach activities and involvement in them as well as reporting on performance data. From the 2017/18 report, performance is getting better via a 15% rise in telephone response rates and the ALMO is offering more community outreach activities such as training and health and wellbeing activities.

## Sutton Housing Partnership

### Key learning points from case study

- Focused on delivering housing and support services with no additional business services
- SHP has been restructured to place residents at the heart of the organisation, ensuring core delivery services are fit for purpose

SHP is an ALMO, which was established in 2006 and manages approximately 6,000 tenanted and 1,500 leasehold homes on behalf of LB Sutton. Sutton is an outer London borough.

SHP is an example of a 'thin ALMO'. This means that it is focussed on developing excellence in its core housing business, rather than expanding into a range of services. SHP identifies its priorities as the following:

- Bring all properties up to the Decent Homes Standard and continue to improve and maintain them as an asset for the future
- Provide high quality responsive repairs and cyclical maintenance services
- Invest in and improve estate grounds and the communal areas of flatted blocks
- Provide excellent tenancy management and leasehold services, and create attractive neighbourhoods where people feel safe and want to live
- Ensure all customers have access to services and that the diverse needs of tenants and leaseholders are met
- Promote and maximise the opportunities for customer involvement with service delivery.
- 

In April 2017, LB Sutton reviewed its housing management options and decided that the preferred route forward for the management of Sutton's housing management services was to retain SHP but recast it to be an even more community-centred organisation, with the management agreement extended to 2021. Other options included stock transfer, bringing the ALMO in-house and exploring partner services with RB Kingston.

SHP has a Federation of Tenants, a Residents Association, and a Sutton Leaseholder Association; in 2013, SHP received the Tenant Participation Advisory Service Accreditation for Excellence (TPAS).

## Appendix 5 | Case Studies: 'Diversified' ALMOs

### Barnet Homes

#### Key learning points from case study

- There are a wide range of services which ALMOs can deliver
- ALMOs can take on services that were previously managed by the Local Authority or can expand commercially.

The Barnet Group is made up of an ALMO – Barnet Homes, established in 2004; a social care company – Your Choice Barnet (YCB); Bumblebee – an online estate agent; and an employment company. They manage 15,000 council homes, including 3,900 leasehold properties. Barnet Homes and YCB were established in February 2012. Barnet is an outer London borough in North London.

Barnet Homes, which now includes Opendoor Homes – a Registered Provider of social housing, is an example of a 'Diversified ALMO'. The Barnet Group has taken on a large range of services beyond its original core housing and asset management functions. These include services previously delivered by the Council, as well as entirely new services that are being sold commercially. Additional services provided by the Barnet Group include:

- Housing options service delivered for the Council
- Private sector lettings agency (Let2Barnet)
- Personal alarm and monitoring service (also offered in Brent)
- Consultancy services
- Housing development
- Adult social care day centres
- Short break respite service
- Supported living services in people's homes.

The comparative breadth of the Barnet Group's offer enables the group to 'combine a public sector ethos with a private sector commercial focus'. The Barnet Group has a mix of income streams, including the HRA and the General Fund.

Barnet Group's community engagement strategy is aligned with strategic objectives of the Council. Through this, they offer a number of involvement opportunities for residents, including a resident involvement database called "Viewpoint". They also have a performance advisory group consisting of twelve tenants and leaseholders, a resident support group, a key leaseholder scheme and several residents' associations and community groups.

## Homes for Haringey

### Key learning points from case study

- The Council should understand its strengths and the financial motivators for taking its ALMO in-house
- ALMOs can take on services that were previously managed by the Local Authority or can expand commercially.

Homes for Haringey provides housing management services for 21,000 homes, including 16,000 social and 5,000 leasehold homes. Homes for Haringey has its own in-house repairs service.

In 2017, Homes for Haringey expanded its services to provide care and support services for 51 supported schemes housing 1,400 older people in the borough.

Homes for Haringey provides a number of services on behalf of the Council. These include:

- Homelessness applications
- Housing advice
- Temporary Accommodation
- Private Sector Lettings
- Domestic Violence Support

In 2015, LB Haringey undertook a housing management options review and decided to retain its ALMO with consideration of the following:

- The complexity of the decision on how to manage its stock
- Councils using a mixed option
- Financial issues and how they influence choices
- Focus on tenants
- Taking a holistic view of housing providers and how they work with tenants
- How the choice affects external funding
- The Council being honest about its strengths and skills gaps

In 2017, a consultation ran on the housing management agreement. The Council concluded:

- Homes for Haringey has significantly improved its performance over the last five years. The ALMO has made significant savings and taken over new services improving them in a relatively short timescale
- There is not a compelling case that bringing the service back in-house would lead to an increase in tenant satisfaction or make a significant impact on the capital funding deficit or the savings needed to improve the overall HRA financial position

On the basis of this review the management agreement was extended by 10 years with a 5-year break clause and expires March 2026.

- Homes for Haringey has a resident engagement strategy with several options for resident engagement including a complaints panel, residents associations and a leaseholder panel.

## Nottingham City Homes

### Key learning points from case study

- ALMOs can take on additional services while maintaining high performance
- Diversified ALMOs can also be tenant focused organisations with a strong commitment to their communities

Nottingham City Homes provides housing management services for 27,000 homes in Nottingham, including providing services for approximately 1,000 leaseholders. Nottingham City Homes has a unique group structure including an RP to access grant to provide new homes in Nottingham and a commercial vehicle to offer market rent homes let on longer-term tenancies.

Due to the HRA cap, Nottingham City Council was constrained by its ability to deliver housing and so looked to its ALMO to deliver additional services.

Today, Nottingham City Homes is an example of a 'Diversified ALMO', an ALMO which has taken on a large diversity of services beyond its original core housing and asset management functions. These include services previously delivered by the Council, such as managing the city's housing register, re-letting empty homes and rent collection and arrears recovery as well as entirely new services that are being sold commercially. Additional services provided by the Nottingham City Homes include:

- Letting at market rent via a commercial vehicle subsidiary
- In-house construction
- Managing a homelessness hostel
- Supported housing services (Nottingham On Call)
- Health and Wellbeing programmes
- Learning and Skills Programmes
- Anti-social behaviour and crime tackling programmes in partnership with others

Nottingham City Homes prides itself on being a tenant-led and tenant-focused organisation. Its corporate goals include to listen to tenants and to diversify services to reinvest into communities. The 2018 UK Housing Awards saw Nottingham City Homes awarded Landlord of the Year, Innovation of the Year (over 12,000 homes) and Outstanding Approach to Tenant Involvement.

Since the Council's review of the ALMO in 2013, it is understood that performance of the ALMO has exceeded expectations and the Council has recently announced its intention to agree a new 30-year management agreement with the ALMO, with reviews every 3 years.

NCH has several tenant board members, and several tenant panels such as a customer excellence panel, a complaints panel, and communications panel and an equalities panel. NCH also runs a learning and development service called "Tenant Academy" which includes courses in money management, food safety, events management, bookkeeping and first aid.

## Glossary

**ALMO - Arm's Length Management Organisation** - A not-for-profit organisation set up by a local authority for the purpose of managing the authority's stock. Under such arrangements, ultimate ownership of properties usually remains with the local authority.

**ASB - Anti-Social Behaviour** - (As per the Crime and Disorder Act 1998) - Acting in a manner that has caused or was likely to cause harassment, alarm or distress to one or more persons not of the same household as the acting individual.

**GLA - Greater London Authority** - A top-tier administrative body responsible for the strategic administration of Greater London, consisting of a directly elected Mayor and a 25-member London Assembly responsible for scrutiny of the Mayor and the GLA's activities. The GLA was created to improve co-ordination between local authorities in Greater London.

**Homes England** - A non-departmental public body responsible for the funding of new affordable housing in England.

**HRA - Housing Revenue Account** - The account in which a local authority's housing revenue (e.g. rent) and housing costs (e.g. property management and maintenance) are kept. By law, the Housing Revenue Account sits separately from the authority's non-housing related revenue and costs.

**RtB - Right to Buy** - The Right to Buy scheme is a government scheme designed to support eligible council and housing association tenants in England to buy their home with a discount.

**Teckal Exemption** - An exemption by which a contracting authority looking to procure services from a legally distinct entity (usually a company that the authority has set up) can treat the procurement as an in-house administrative arrangement rather than a formal contract. The application of the exemption is subject to a number of conditions being met: that the service provider carries out the principal part of its activities with the authority; that the authority exercises the same kind of control over the service provider as it does over its own departments; and that there is no private sector ownership of the service provider nor any intention that there should be any.

This page is intentionally left blank

## Appendix Two

### RESIDENT CONSULTATION

This appendix summarises the views expressed by residents via email and telephone calls as part of the consultation period in May and June 2019. The views are set out in two sections – concerns and positive recognition

#### SERVICE CONCERNS

<b>Tenants</b>	<b>Leaseholders</b>	<b>Residents</b>
Repairs Service: When the operatives arrive they either have got the wrong tools and, sometimes the wrong person has arrived. The jobs are “not always completed on first visit”.	The THH extension requires wider consultation rather than the focus/seminar group held with Altair and the letters sent out to all residents by the Mayor inviting comments.	Parkview Estate: poor delivery of the major works programme and in parts works not completed.
The ALMO structure is difficult for tenants/residents. The double layer of governance means that THH are able to say "we need to consult with the landlord", LBTH. Tenants and residents cannot speak to the landlord so can't move things forward.	General poor customer service and leaseholders feel they are overpaying for services. THH staff are viewed as rude and unhelpful and unwilling to help.	Major works bill are too high and there is a feeling of being ripped off by THH.
Dealing with THHs and their Contractors caused serious stress to the point where one resident had to seek counselling support.	Annie Besant Close: Repeatedly raised concerns about anti-social behaviour on the street (day and night), including drug dealing, but have not seen any support for THH.	THH's 'Here to help' is not a good local service.
Tower Hamlets Homes are not doing their duty to properly maintain a listed building and keep it in acceptable condition for its residents.	Lack of clarity on invoice payments (new invoicing method i.e. in line with the lease) leaseholders are asked to pay up front, but with no start date for the works.	Too many complaints made to THH, but we feel ignored.
Repairs Service: Poor supervision or no supervision from THH on repairs contractors for both day to day and major works including communications between THH and their contractors.	Anne Goodman House: All the works were carried out poorly and no one from THH or the Council came to inspect or check the quality of work that was carried out.	Lack of supporting information behind the increased resident satisfaction.

LBTH proposal to allow THH build new home is not a good idea – to preserve the green spaces; noise and disruption would be experienced by residents; rooftop new build would impact on light; and the Council might sell to private individuals rather than house local people in need.	Fire safety management: A heavy handed approach adopted by THH at Matilda House. Some residents received injunction notices for not allowing THH officers even though London Fire Brigade had attended. Furthermore, THH advice contradicted the recommendations set out by the London Fire Brigade (LFB). The LFB was happy with the fire safety standards in the block.	Poor estate cleaning, permanent caretakers would help to keep the estate better maintained.
There is no Council Estate parking enforcement.	Increasing service charges year on year.	THH staff are appalling and complaints are treated as a joke.
Unauthorised vehicles parking in the street aren't warned or ticketed, especially in the evenings, and repeated calls to the enforcement company (at a high call cost) results in no action or increased patrols.	Lack of adequate communications with THH through emails and phones including providing updates to leaseholders on on-going issues.  Lack of transparency on the part of THH when requests are made by leaseholders.	Just one main contact telephone number to get through to THH.
Lack of communications with THH – email direct system to relevant managers/team leaders removed. Notice boards from estates removed. Managers or Senior officers not attending resident association monthly meetings.	Matilda House: Threatening behaviour and bullying from THH staff and lack of general communications and consultation with residents.	Poor level of customer service and generally THH are just useless so bring them back in.
	Annie Besant Close: Repeatedly raised concerns about anti-social behaviour on the street (day and night), including drug dealing, but have not seen any support for THH.	Concerned with the proposal that will allow THH to build new homes.
	Insurance for the block has risen considerably over the last few years.	Resident satisfaction is not increasing.
	The Timetable for capital programme works in particular communal decorations and door entry system keeps moving forward.	
	Matilda House: Lack of effort in maintaining the building.	
	General mistrust by residents and deep dissatisfaction with services provided by THH.	

## POSITIVE RECOGNITION

<b>Tenants</b>	<b>Leaseholders</b>	<b>Residents</b>
Very good housing management and lots of improvements in the borough. THH are excellent. Totally support and hope that the Council extend the existing Tower Hamlets Homes management agreement from July 2020.	Staff in the various departments/contact points have without exception been excellent and helpful. THH staff are very fast, responsive and helpful. Handle enquires very well and are very responsive on the phone.	Substantial progress made since 2015 with clear political leadership from both the Mayor and Cabinet Member of the ALMO – Cllr Islam.
Collingwood Estate Tenants and Resident Association: We welcome the Mayor's intention to extend the council's management contract with Tower Hamlets Homes for up to eight years.	As part of the renewal of their contract could you please insist that THH simplify the contact process for users, review/streamline (and speed up) their internal processes substantially and, not least, share the substantial cost benefits via the Council with us?	Cllr Islam has been fully committed to ensuring the ALMO provides an excellent service to residents.
Completely satisfied with the Tower Hamlets services. When an issue arose, THH have been always present and solved it asap.	Lots of progress since 2015, in particular tackling ASB and fire safety.	
Extend the existing Tower Hamlets Homes management agreement up to 2028 is the best option. Please don't take us back to those dark old days!	General satisfaction with the way THH has managed their housing.	
Substantial progress made since 2015 with clear political leadership from both the Mayor and Cabinet Member of the ALMO – Cllr Islam.		
Cllr Islam has been fully committed to ensuring ALMO provides an excellent service to residents.		
The work done and ongoing around Fire Safety is remarkable the speed and efficacy of THH staff is outstanding.		

Resident engagement has improved and there is now a proper meaningful consultation and involvement. The financial health centre is an amazing resource. Caretaking is exceptional and the ASB team is committed.		
Strong leadership at THH has proved the point and long may that continue.		
Moving services back in-house would be too disrupting for the residents.		
THH should continue but they need to be more efficient when it comes to regulating the repairs service.		
THH achieving the National recognition of Landlord of the Year.		
THH are doing a very good job. Please don't repair something that isn't broken - provided it continues to work of course.		

Appendix 3

## Executive Mayor's Office

Tower Hamlets Town Hall  
Mulberry Place  
5 Clove Crescent  
London E14 2BG

housing.strategy@towerhamlets.gov.uk  
www.towerhamlets.gov.uk

Dear resident,

## Consultation on the review of Tower Hamlets Homes

I am writing to update you on the future of Tower Hamlets Homes, an organisation created in 2008 that manages and maintains council housing on behalf of the council.

In July 2018, the contract with Tower Hamlets Homes was extended for two years, and the council must now decide what will happen from July 2020 onwards.

The council commissioned Altair Ltd, an independent housing consultancy, to review our options for the future.

The specific options examined by Altair were to:

1. Bring all Tower Hamlets Homes services back in-house.
2. Extend the existing Tower Hamlets Homes management agreement, or
3. Extend the existing Tower Hamlets Homes management agreement and shift some services between the council and Tower Hamlets Homes.

We want to choose the option that will ensure the best possible housing service to residents, securing fire safety and improving the council's physical assets.

I am now publishing the Altair report on our website so all tenants and leaseholders can read their findings and recommendations. You can find this online here:

- [www.towerhamlets.gov.uk/THHConsultation](http://www.towerhamlets.gov.uk/THHConsultation)

**Taking into account the findings and recommendations from Altair, I am currently minded to extend the council's management agreement with Tower Hamlets Homes for up to eight years (to 2028), with a possible break after four years (in 2024).**

There are a number of reasons why I think this is the best way forward. Tower Hamlets Homes has had a number of successes:

- Housing management service performance has improved.
- Resident satisfaction has steadily increased.
- Provided better value, so far saving over £4 million in the last three years.

Not extending the contract, and moving the service back into the council, risks disruption to Tower Hamlets Homes' service improvements and the continuing benefits for residents.

I am also proposing to explore the scope for additional service transfer options from the council to Tower Hamlets Homes, in a limited number of areas:

- New build, for example delivering new build homes on rooftops, and possible in-fill schemes.
- Aspects of private sector management powers where these can help better resolve management problems on estates.
- Management of acquired temporary accommodation and possibly homes not owned by Tower Hamlets Homes.

**Before I make a final decision, I am interested to hear your views on this proposal and on Tower Hamlets Homes and the service it provides.**

Please email your comments to [housing.strategy@towerhamlets.gov.uk](mailto:housing.strategy@towerhamlets.gov.uk) or you can telephone **020 7364 7037**.

The closing date for comments is midnight on **10 June 2019**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Biggs', with a long horizontal line extending to the right.

**Mayor John Biggs**  
Executive Mayor of Tower Hamlets