



Meeting of the

CABINET

Wednesday, 8 September 2010 at 5.30 p.m.

AGENDA – SECTION ONE

VENUE

Main Hall, Stepney Green Maths and Computing College, Ben Jonson
Road, London E1 4SD

Members:

Councillor Helal Abbas (Chair)	– (Leader of the Council)
Councillor Joshua Peck (Vice-Chair)	– (Deputy Leader of the Council)
Councillor Shahed Ali	– (Lead Member, Environment)
Councillor David Edgar	– (Lead Member, Resources)
Councillor Marc Francis	– (Lead Member, Housing, Heritage and Planning)
Councillor Sirajul Islam	– (Lead Member, Regeneration and Employment)
Councillor Denise Jones	– (Lead Member, Culture and Creative Industries)
Councillor Shiria Khatun	– (Lead Member, Children's Services)
Councillor Rachael Saunders	– (Lead Member, Health and Wellbeing)
Councillor Abdal Ullah	– (Lead Member, Community Safety)

[Note: The quorum for this body is 3 Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Angus Taylor, Democratic Services,

Tel: 020 7364 4333, E-mail: angus.taylor@towerhamlets.gov.uk

LONDON BOROUGH OF TOWER HAMLETS

CABINET

WEDNESDAY, 8 SEPTEMBER 2010

5.30 p.m.

Stepney Green Maths & Computing College - location map, transport links (Pages 1 - 6)

Public Question and Answer Session

There will be an opportunity (15 minutes) for members of the public to put questions to Cabinet members before the Cabinet commences its consideration of the substantive business set out in the agenda.

Questions can be submitted in advance to the Town Hall or be asked on the evening.

Send any questions to Angus Taylor, Democratic Services, Town Hall, Mulberry Place, Poplar, E14 2BG or email Angus.taylor@towerhamlets.gov.uk by 5pm Thursday, 2nd September 2010.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

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 Chief Executive.

**PAGE
NUMBER**
7 - 8

**WARD(S)
AFFECTED**

3. UNRESTRICTED MINUTES

To confirm as a correct record of the proceedings the unrestricted minutes of the ordinary meeting of the Cabinet held on 4th August 2010.

9 - 42

4. DEPUTATIONS & PETITIONS

To receive any deputations or petitions.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

To receive any advice of key issues or questions in relation to the unrestricted business of the Cabinet, arising from the meeting of the Overview and Scrutiny Committee held on 7th September 2010.

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

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

Nil items.

UNRESTRICTED REPORTS FOR CONSIDERATION

6. A GREAT PLACE TO LIVE

6.1	LDF Core Strategy: Adoption of the plan (CAB 029/101)	43 - 90	All Wards;
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Appendix 1 to the report has been circulated in conjunction with this agenda (as a hardcopy colour booklet) to all members of the Council, put on deposit at Town Hall Mulberry Place (Reception), made available on the Council Website. A hardcopy is also held by Democratic Services 1st Floor, Town Hall Mulberry Place, should members of the Council or members of the public wish to view it.

Please Note

It is important that all Councillors attending the meetings set out below bring this document with them, as it comprises part of the associated agenda papers:

- Overview and Scrutiny Committee (07 September 2010)
- Cabinet (08 September 2010)
- Council (15 September 2010)

6.2	Adoption of Housing Investment Programme Capital Estimates - 2010/11 (CAB 030/101)	91 - 118	All Wards;
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6.3	Carbon Reduction Commitment (CRC) Energy Efficiency Scheme (CAB 031/101)	119 - 126	All Wards;
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6.4	Renewal of Housing General Build Repair and Gas Servicing and Repair Contracts (CAB 032/101)	127 - 140	All Wards;
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	PAGE NUMBER	WARD(S) AFFECTED	
6 .5	The Private Rented Sector: Report of the Scrutiny Working Group (CAB 033/101)	141 - 178	All Wards;
6 .6	Poplar Baths - proposed procurement route (CAB 034/101)	179 - 188	Limehouse;
6 .7	Building Control Charges (CAB 035/101)	189 - 208	All Wards;
7.	A PROSPEROUS COMMUNITY		
7 .1	Childcare Capital Projects (CAB 036/101)	209 - 220	Bow West; Weavers;
7 .2	Culloden Primary School - Proposed Expansion (CAB 037/101)	221 - 236	East India & Lansbury;
7 .3	Thomas Buxton Infant and Junior Schools - Proposed Amalgamation (CAB 038/101)	237 - 252	Weavers;
8.	A SAFE AND SUPPORTIVE COMMUNITY		
8 .1	Youth Offenders: Supporting Vulnerable Young People. Report of the Scrutiny Working Group (CAB 039/101)	253 - 296	All Wards;
9.	A HEALTHY COMMUNITY		
	Nil items.		
10.	ONE TOWER HAMLETS		
10 .1	2009/10 Capital Outturn (CAB 040/101)	297 - 314	All Wards;
10 .2	Enforcement Policy and RIPA (CAB 041/101) - To Follow		All Wards;
11.	ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT		
	To consider any other unrestricted business that the Chair considers to be urgent.		
12.	UNRESTRICTED REPORTS FOR INFORMATION		
12 .1	Exercise of Corporate Director Discretions (CAB 042/101)	315 - 320	All Wards;

13. EXCLUSION OF THE PRESS AND PUBLIC

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

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

EXEMPT/CONFIDENTIAL SECTION (PINK)

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

14. EXEMPT / CONFIDENTIAL MINUTES**321 - 324**

To confirm as a correct record of the proceedings the exempt / confidential minutes of the ordinary meeting of the Cabinet held on 7th April 2010 further to amendments agreed by resolution of the Cabinet at their meeting held on 9th June 2010.

15. OVERVIEW & SCRUTINY COMMITTEE**15 .1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.**

Nil items.

15 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

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

Nil items.

EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

16. A GREAT PLACE TO LIVE

Nil items.

17. A PROSPEROUS COMMUNITY

Nil items.

18. A SAFE AND SUPPORTIVE COMMUNITY

Nil items.

19. A HEALTHY COMMUNITY

Nil items.

20. ONE TOWER HAMLETS

Nil items.

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

To consider any other exempt/ confidential business that the Chair considers to be urgent.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

SCRUTINY PROCESS

The Overview and Scrutiny Committee, at its meeting on **Tuesday 5th October 2010** may scrutinise provisional decisions made in respect of any of the reports attached, if it is "called in" by **five** or more Councillors except where the decision involves a recommendation to full Council.

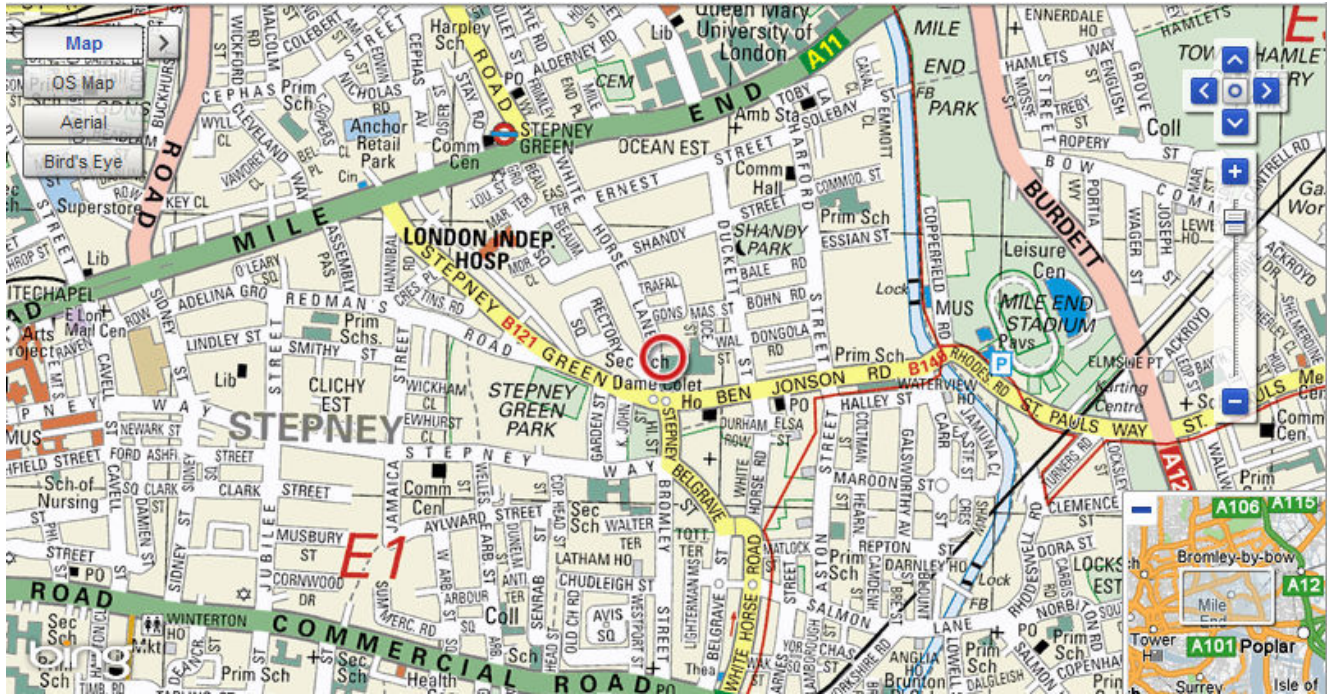
The deadline for "Call-in" is: Friday 17th September 2010 **(5.00 p.m.)**

The deadline for Deputations is: Wednesday 29th September 2010 **(5.00 p.m.)**

Councillors wishing to "call-in" a provisional decision, or members of the public wishing to submit a deputation request, should contact:

John Williams
Service Head Democratic Services:
020 7364 4205

Agenda Annex



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Google maps
UK



A. Stepney Green Maths & Computing College

Ben Jonson Road, London Area, London E1 4
SD - 020 7790 6361
1 review

Business listings provided by Thomsonlocal.com

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Transport Links:

- Buses: 309 and 323 stop nearby on Ben Jonson Road. 25 and 205 stop outside Stepney Green Station.
- Tube: District Line and Hammersmith and City Line (Stepney Green Station)
- Rail: Whitechapel Station or Limehouse Station

Link to website featuring Stepney Green Maths and Computing College with options to click on location maps:

<http://maps.google.co.uk/maps/place?cid=7380900083354628195>

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

This note is guidance only. Members should consult the Council's Code of Conduct for further details. Note: Only Members can decide if they have an interest therefore they must make their own decision. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending at a meeting.

Declaration of interests for Members

Where Members have a personal interest in any business of the authority as described in paragraph 4 of the Council's Code of Conduct (contained in part 5 of the Council's Constitution) then s/he must disclose this personal interest as in accordance with paragraph 5 of the Code. Members must disclose the existence and nature of the interest at the start of the meeting and certainly no later than the commencement of the item or where the interest becomes apparent.

You have a **personal interest** in any business of your authority where it relates to or is likely to affect:

- (a) An interest that you must **register**
- (b) An interest that is not on the register, but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of your authority more than it would affect the majority of inhabitants of the ward affected by the decision.

Where a personal interest is declared a Member may stay and take part in the debate and decision on that item.

What constitutes a prejudicial interest? - Please refer to paragraph 6 of the adopted Code of Conduct.

Your personal interest will also be a prejudicial interest in a matter if (a), (b) and either (c) or (d) below apply:-

- (a) A member of the public, who knows the relevant facts, would reasonably think that your personal interests are so significant that it is likely to prejudice your judgment of the public interests; AND
- (b) The matter does not fall within one of the exempt categories of decision listed in paragraph 6.2 of the Code; AND EITHER
- (c) The matter affects your financial position or the financial interest of a body with which you are associated; or
- (d) The matter relates to the determination of a licensing or regulatory application

The key points to remember if you have a prejudicial interest in a matter being discussed at a meeting:-

- i. You must declare that you have a prejudicial interest, and the nature of that interest, as soon as that interest becomes apparent to you; and
- ii. You must leave the room for the duration of consideration and decision on the item and not seek to influence the debate or decision unless (iv) below applies; and

- iii. You must not seek to improperly influence a decision in which you have a prejudicial interest.
- iv. If Members of the public are allowed to speak or make representations at the meeting, give evidence or answer questions about the matter, by statutory right or otherwise (e.g. planning or licensing committees), you can declare your prejudicial interest but make representations. However, you must immediately leave the room once you have finished your representations and answered questions (if any). You cannot remain in the meeting or in the public gallery during the debate or decision on the matter.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 4 AUGUST 2010

MAIN HALL, BRADY ARTS AND COMMUNITY CENTRE, 192-196 HANBURY STREET, LONDON E1 5HU

Members Present:

Councillor Helal Abbas (Chair)	(Leader of the Council)
Councillor Shahed Ali	(Lead Member, Environment)
Councillor David Edgar	(Lead Member, Resources)
Councillor Marc Francis	(Lead Member, Housing, Heritage and Planning)
Councillor Sirajul Islam	(Lead Member, Regeneration and Employment)
Councillor Denise Jones	(Lead Member, Culture and Creative Industries)
Councillor Joshua Peck (Vice-Chair)	(Deputy Leader of the Council)
Councillor Rachael Saunders	(Lead Member, Health and Wellbeing)
Councillor Abdal Ullah	(Lead Member, Community Safety)

Other Councillors Present:

Councillor Tim Archer	(Scrutiny Lead Member: A Healthy Community)
Councillor Anwar Khan	
Councillor Ahmed Adam Omer	(Scrutiny Lead Member, One Tower Hamlets)

Others Present:

Officers Present:

Mark Abrahams	– (Interim Service Head Procurement and Programmes, Resources)
Andy Algar	– (Service Head Asset Strategy, Capital Delivery, Property Services, Development & Renewal)
Robin Beattie	– (Acting Head, Strategy & Resources, Communities Localities & Culture)
Kate Bingham	– (Acting Service Head (Resources) Children Schools & Families)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families)
John Coker	– (Strategic Housing Manager, Development & Renewal)
Kevan Collins	– (Chief Executive)

- Luke Cully – (Finance Manager, Communities, Localities & Culture)
- Robert Driver – (Communications Officer, Communications, Chief Executive's)
- Alan Finch – (Service Head, Corporate Finance, Resources)
- Stephanie Ford – (Interim Performance Manager, Strategy & Performance, Chief Executive's)
- Isabella Freeman – (Assistant Chief Executive [Legal Services])
- Stephen Halsey – (Corporate Director, Communities, Localities & Culture)
- Chris Holme – (Service Head, Resources, Development & Renewal)
- Afazul Hoque – (Scrutiny Policy Manager, Scrutiny & Equalities, Chief Executive's)
- Judith St John – (Head of Ideas Stores, Communities Localities & Culture)
- Katie McDonald – (Scrutiny Policy Officer, Scrutiny & Equalities , Chief Executive's)
- Stephen Murray – (Head of Arts, Communities Localities & Culture)
- Chris Naylor – (Corporate Director, Resources)
- Layla Richards – (Service Manager Strategy Partnerships & Performance, Children Schools & Families)
- Chris Saunders – (Interim Political Advisor to the Labour Group, Chief Executive's)
- Takki Sulaiman – (Service Head Communications, Chief Executive's)
- Angus Taylor – (ExecutiveTeam Leader, Democratic Services, Chief Executive's)
- Helen Taylor – (Acting Corporate Director Adults Health & Wellbeing)
- Alison Thomas – (Private Sector and Affordable Housing Manager, Development & Renewal)
- Saheed Ullah – (New Projects Developments Manager, Children Schools & Families)
- Alice Wallace – (Third Sector Development Manager, Chief Executive's)
- Owen Whalley – (Service Head Major Projects, Development & Renewal)
- John Williams – (Service Head, Democratic Services, Chief Executive's)

COUNCILLOR H. ABBAS (CHAIR) IN THE CHAIR

WELCOME

The Chair opened the meeting by welcoming those present in the public gallery to the second meeting of the Cabinet to be held outside the Town Hall, commenting that forthcoming Cabinet meetings prior to the Mayoral election in October 2010 were, at his request, also to be held in the Community with a view to promoting resident attendance and engagement.

ADJOURNMENT

At this juncture the Chair informed those present that before Cabinet consideration of the substantive business set out in the agenda, he felt it appropriate to allow an opportunity for the public to put questions to the Leader of the Council [himself], Deputy Leader of the Council and other Lead Members comprising the Cabinet; also to allow an opportunity for members of the Cabinet to comment on the learning from their walkabout, which had taken place immediately beforehand. Accordingly the Chair Moved the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Cabinet adjourn for a period of 30 minutes, at 5.35pm, and that the meeting reconvene at 6.05pm.

The meeting adjourned at 5.35pm
The meeting reconvened at 6.05pm

Question & Answer Session

Members of the public asked a number of questions to which the members of the Cabinet responded including:

- Administration's stance on areas of the borough having their own devolved council's.
- Action the Council was taking to improve physical and visual access to its public buildings.
- Joined up working/ response of Council departments to the Mayor of London's cycle route initiative, given the perceived detrimental impact on pedestrian safety in some areas of the borough.
- Whether the disposal of Council assets was proposed to meet the savings required by the Coalition Government.

Walkabout Learning

Cabinet members commented on the learning from their walkabout which had taken place immediately before the Cabinet meeting. This had comprised of 4 groups of Cabinet Members/ Chief Officers walking to the Brady Arts and Community Centre, from meeting points in the vicinity, for approximately an hour. Comments received focused on the following issues:

Valance Road/ Bethnal Green Road group

- Tower Hamlets Homes properties: quality of caretaking and condition of stock - reasonably good. Lead Member encouraged by result of investment in deep clean of estates but acknowledged it needed wider roll-out.
- Prostitution in Cheshire Street/ whether CCTV was operational and action plan to address. Corporate Director Communities Localities and Culture (CDCLC) reported on initiatives to mitigate, but to take this up and to update Deputy Leader in writing.
- Derelict properties at bottom of Vallance Road owned by the Housing Revenue Account found to be in poor state of repair. Service Head Major Project Development reported the land had been set aside for a Transport for London road widening project, would explore if this was still viable and report back to next Cabinet meeting.
- Pigeon droppings and street lights not working on a street to east of Vallance Road. Lights issue to be taken up with Officer responsible for spotting and to identify systemic failure.
- Lister House in Vallance Road known for drug and prostitution issues seen to be in better condition. Hereford Estate lacked TRA - working with THH to support this.
- Disappointing some programmed Decent Homes projects in the area had not yet commenced, although they were underway elsewhere.

Arnold Circus group

- In context of number of refuse bins often used by businesses, over-full/unattractive, also spillage on pavement (possibly due to type of bags used) health and safety issue and counteractive to cleansing activities - new approach needed. Public Realm either good or unacceptably bad.
- CDCLC reported some businesses had refuse collection contract with Council, some abused the service, others abused the bins provided to others. Working with contractors towards a new bin-less frequent collection approach.
- Blatant touting on Brick Lane - action needed to mitigate. Policy to pursue enforcement through courts not effective. Is being taken up through joint tasking with Police but not a priority.

Whitechapel Idea Store/Market group

- CDCLC acknowledged that although Council's cleaning performance had improved against indicators, some areas seen on this walkabout, and others, were of unacceptable standard. Action to be taken to raise standards as appropriate.
- Fenced area on corner of Whitechapel and Vallance Road full of litter disappointing and would be addressed.
- Too many bicycles from bicycle scheme on junction of New Road.
- Pigeon control needed taken up with TfL.

New Road and Commercial Road group

- Children happy with play provision and tenants with facilities. One complaint of noise.
- Restaurant owner just inspected happy with regulatory service.

- Holes in pavement in New Road needed repair, sidewalk edge needed deep clean.
- Oasis area outside Mosque Whitechapel Road and Bell Road needed attention.

The Chair thanked members of the public for attending to present questions. Also Cabinet members/ Chief Officers for attending the walkabout, which he considered presented an opportunity to see a locality/ any issues first hand and to assess how reality measured up to reported performance.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor S. Khatun, Lead Member Children's Services.
- Councillor A. Jackson, Chair Overview and Scrutiny Committee for whom Councillor Ahmed Adam Omer Vice-Chair Overview and Scrutiny Committee was deputising.
- Mr A. Dalvi, Corporate Director Development and Renewal for whom Mr O. Whalley, Service Head Major Project Development - Development and Renewal, was deputising.

Noted.

2. DECLARATIONS OF INTEREST

Councillor S. Islam declared a personal interest in Agenda item 6.1 "LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh" (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Islam was a tenant of Tower Hamlets Homes.

Councillor D. Jones declared a personal interest in Agenda item 6.1 "LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh" (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

Councillor H. Abbas declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Abbas was a former representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor S. Islam declared a personal interest in Agenda Item 6.2 “Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing” (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor D. Jones declared a personal interest in Agenda Item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and Mulberry Secondary School specifically and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.2 “Wellington Primary School and Phoenix Special School - Decisions on statutory proposals” (CAB 004/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor H. Abbas declared a personal interest in Agenda Item 7.3 “Update on Building Schools for the Future Programme (authorisation to enter into contracts)” (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to Swanlea Secondary School, and his son attended Swanlea Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.3 “Update on Building Schools for the Future Programme (authorisation to enter into contracts)” (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and referred specifically to Mulberry Secondary School, and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor A. Ullah declared a personal interest in Agenda Item 7.5 “Allocation process for Council-owned property to Third Sector Organisations” (CAB 023/101). The declaration was made on the basis that the report contained recommendations relating to the future process for the allocation of Council owned property to Third Sector organisations, and Councillor Ullah was Secretary for a local voluntary organisation which currently had access to Council owned premises.

Noted.

3. UNRESTRICTED MINUTES

The Chair **Moved** and it was: -

Resolved

That the unrestricted minutes of the ordinary meeting of the Cabinet held on 7th July 2010 be approved and signed by the Chair, as a correct record of the proceedings.

4. DEPUTATIONS & PETITIONS

At this juncture the Chair Informed members of the Cabinet that the Assistant Chief Executive had received one valid request, from Wapping Parents Group, to address them in respect of Agenda item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101).

Variation to Order of Business

The Chair also indicated that he thought it appropriate that the Order of Business be varied so that following receipt of the deputation, consideration be given to the report, contained in the agenda before the Cabinet for consideration, which was the subject matter of the deputation.

Accordingly the Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Order of Business be varied so that following the receipt of the deputation, Agenda Item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101) be considered next, and subsequently the Cabinet return to the order of business detailed in the agenda.

At this juncture the Chair informed members of the Cabinet that a statement had been **Tabled** by the Wapping Parents Group, a copy of which would be interleaved with the minutes.

Following receipt of the deputation, points of clarification sought and given, and an address from Deputy Leader of the Council, on behalf of the Lead Member Children’s Services, in response to the deputation, the Chair thanked the deputation for coming to address the Cabinet and then **Moved** the following motion for the consideration of members of the Cabinet and it was: -

Resolved

1. That the following deputation be formally received and noted: -

Mr J. Cheyne, Wapping Parents Group, in respect of Agenda item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101);

2. That the points raised by the deputation be given consideration during the Cabinet deliberation of the item of business to which the deputation related; and
3. That any outstanding issues raised by the deputation be referred to the Corporate Director Children Schools and Families for attention and response in writing within 28 days, in accordance with the Authority's Constitution (Part 4, Rules of Procedure, Section 4.1 Council Procedure Rules, Rule 20 Deputations).

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

The Chair informed members of the Cabinet that Councillor Omer, Vice-Chair of the Overview and Scrutiny Committee, had **Tabled** a sheet of questions/ comments arising from the deliberations of the Overview and Scrutiny Committee, held on 3rd August 2010, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Omer, Vice-Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet:

- *Key Issues or Questions (Pre Scrutiny)*
Informing members of the Cabinet that he had nothing to add to the questions/ comments raised by the Overview and Scrutiny Committee, as set out in the tabled paper regarding: -
- Item 6.1 LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh
- Item 7.4 Framework for Minor Works and Repairs
- Item 7.5 Allocation process for Council-owned property to Third Sector Organisations

The Chair thanked Councillor Omer for presenting the contribution of the Overview and Scrutiny Committee; and then **Moved** and it was: -

Resolved

That the questions and comments of the Overview and Scrutiny Committee be noted, and that these be given consideration during the Cabinet deliberation of the items of business to which the questions/ comments related.

Variation to Order of Business

At this juncture the Chair Informed members of the Cabinet that, given the level of public interest in two reports detailed later in the agenda before them for consideration:

- **Agenda Item 7.5** Allocation process for Council-owned property to Third Sector Organisations
- **Agenda Item 10.2** Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review

he thought it appropriate that the Order of Business be varied so that following Agenda item 5.1 "Chair's Advice of Key Issues or Questions in relation to Unrestricted Business to be considered" that these two reports be considered as the next business.

Accordingly the Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Order of Business be varied so that following Agenda item 5.1 "Chair's Advice of Key Issues or Questions in relation to Unrestricted Business to be considered" Agenda item 7.5 "Allocation process for Council-owned property to Third Sector Organisations" (CAB 023/101) be considered next, thereafter Agenda Item 10.2 "Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review" (CAB 026/101), and subsequently the Cabinet return to the order of business detailed in the agenda.

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

5.2(i) Cabinet Decision "Called in" Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 028/101).

The Chair informed members of the Cabinet that Councillor Omer, Vice- Chair of the Overview and Scrutiny Committee, had **Tabled** a reference (CAB 028/101) arising from the deliberations of the Overview and Scrutiny Committee, held on 3rd August 2010, in respect of the provisional decision of the Cabinet, held on 7th July 2010, made in relation to Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 010/101), a copy of which would be interleaved with the minutes.

Councillor Omer, Vice- Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet in relation to the tabled reference of the Overview and Scrutiny Committee (OSC) (CAB 028/101), and requests contained therein, highlighting focal points of the further deliberation of this matter by the Committee and its conclusion to refer the provisional decision of the Cabinet regarding this matter back to the Cabinet for further consideration.

- The suitability of the proposed location for the new Idea Store Local/One Stop Shop (ISL/OSS), the scale of the structure and associated impact on the pedestrian corridor through Watney Market.

- The potential for other commercial and residential uses of the site proposed for the new ISL/OSS and the rationale for seeking one valuation of the site and not marketing it.
- The merits of using and source of Section 106 funding for the project.
- The level and methodology of consultation undertaken with residents/ Registered Social Landlords in relation to the project and in particular the use of the land.
- The future of the existing idea store and safety aspects of combining a library in a One Stop Shop.

And concluding by commending that the Cabinet set aside their previous decision and instead took the alternative course of action set out in the tabled report of the OSC:

- A second independent valuation of the plot of land listed in Appendix 1 of the report for development of the new ISL/OSS be undertaken;
- Further community consultation be undertaken to establish exactly what local residents would like to see the land used for;
- The source (s) of the s106 funding required to support this project are identified; and
- The need for an Idea Store in Watney Market and investment in the existing Watney Market Library be reviewed.

The Chair informed members of the Cabinet that a detailed response to the matters raised by the Overview and Scrutiny Committee in the tabled reference regarding this agenda item, had been **Tabled** by the Corporate Director Communities, Localities and Culture, a copy of which would be interleaved with the minutes.

Mr Halsey, Corporate Director Communities, Localities and Culture, and Mr Whalley Service Head Major Project Development - Development and Renewal, at the request of the Chair, also addressed members of the Cabinet in relation to the matters raised by the OSC in the tabled reference regarding this agenda item highlighting key points as follows:

- The Idea Store Strategy approved by the Cabinet in 2009, had been the outcome of a year-long refresh of a 10 year old strategy, and had been the subject of wide-ranging public consultation. The action plan arising from the strategy was, he believed, robust and durable and the proposal for an Idea Store at Watney Market was its first outcome.
- The award of £2 million funding from the Big Lottery Fund (BLF) was time limited and dependent on the Council's timely commitment to the development. It was also ring-fenced for this scheme and not available for other purposes.
- The scheme would improve service provision but also yield significant revenue savings, and was part of the Council's endeavours to become "leaner" in its delivery of services.
- The Idea Store Strategy had clearly identified the ongoing need for improved facilities in the Watney Market area. the current library facility in the market area is inadequate to meet local needs and could not be converted to meet the operational or presentational requirements of an Idea Store.

- The emerging Local Development Framework Town Centre Implementation Programme identified Watney Market as one of three priority town centres for improvement, expansion and development. Community facilities form a key element of town centres and an Idea Store in this location would enhance the offer to town centre visitors.
- The attention of members of the Cabinet was drawn to Section 1 and 3 of the Corporate Director's tabled response to the matters raised by the OSC, relating to the merits of a second valuation and the sources of available Section 106 funding.

A discussion followed, during which the proposals in the reference from the OSC were rejected, and which focused on the following points:-

- Bewilderment that some councillors representing the ward where it was proposed to locate the Idea Store Local (ISL), had supported the referral of this matter back to Cabinet. Commenting that residents and schools elsewhere welcomed the location of such a facility in their area and highly valued the service it provided.
- Comment that following the relocation of the Sainsbury's store from Watney Market to Whitechapel the commercial activity of the market had declined. Investment by the Council in the market was leading to a pick up in this activity, but consideration also that the location of an ISL here would enhance the offer of the market and therefore bring more visitors also generating ancillary commercial activity in the market itself.
- Consideration that in a time of severe financial constraint it was legitimate to think carefully about the use of Section 106 resources, however a major aspect of the Authority's decision making in relation to this scheme must be that £2 million of BLF funding would be lost if its support was not confirmed quickly.
- The combined ISL/OSS scheme would improve service provision but also yield significant revenue savings.
- Consideration that the process for obtaining planning consent for any new development adequately provided for local residents or councillors with concerns regarding the nature of the development to make representations.
- Uncertainty as to the purpose of a further valuation of the proposed site for the ISL, given there was no proposal to sell the site to property developers, but only to develop a very beneficial service for local residents.
- Comment that it was right that the thinking behind such schemes should be examined closely, especially at this point in time when resources were scarce. However a full explanation of the land valuation had been given at the meeting of the OSC the previous evening. There was no evidence/ reason to suppose that the assumptions underpinning the valuation were incorrect: significant development issues and site constraints would prevent the land being commercially marketable, the risks involved for private developers being too great: the land had no viable alternative uses. In this context consideration that there was no point in seeking further costly professional opinion.
- Commented that there was good public support for the location of an ISL in Watney Market and also recognition of the value of such a

- facility for local people. It was understood that much work had been done on finding the views of local people.
- A Conservative Councillor speaking with the consent of the Cabinet commented that:
 - No Councillors had been opposed to the location of an ISL in Watney Market.
 - Concern focused on the perception of the land being merely an extension of a bus stop and therefore considered to have no other use and therefore to be of nil value. The site belonged to the Housing Revenue Account (HRA) and it was proposed to build a sizeable ISL on it, of approximately 1400 square metres, it might therefore have commercial development potential, and if this was the case it was important for its true value to benefit the HRA.
 - Concern also focused, some of it that of Labour Councillors, on a lack of proper consultation with residents. Consultation had taken place in relation to a new ISL but not about the usage of the land, which it was understood had been identified in the 1960's as a potential green area.
 - The importance of levering in £2 million of available BLF funding had been acknowledged. However planning consent had not yet been obtained so a significant delay was already built into the scheme's timeline, so funding was probably already at risk and the alternative course of action proposed by the OSC were unlikely to risk it further.
 - Councillor Francis, Lead Member Housing, Heritage and Planning, commented that it was not appropriate to turf over the space in question, particularly when the benefit to the local community of the proposed ISL scheme was so great. He would always defend the interests of the HRA and the social housing outcomes it provided, however this ISL scheme could not be viewed in terms of one area of Council activity being fleeced by another but should be examined in terms of being hugely beneficial to the local community. Noting the original reasons for "call in" he considered these inadequate to merit reversal of the original Cabinet decision.
 - Commented that when the proposals for an ISL/OSS in Watney Street Market were considered by Cabinet, at its meeting held on 7th July 2010, the report advised that £1.1 million of capital funding for the scheme would come from a Section 106 contribution associated with a development site at 32-42 Bethnal Green Road. Clarification/ assurance was therefore sought, in the context of a decision by the Strategic Development Committee, held on 2nd August 2010, to allocate the Section 106 funding from this particular site for other purposes, that the capital funding gap created could be closed from Section 106 funding available from other developments in the borough; clarification/ assurance also sought that this other Section 106 funding was not that which had already been allocated for other purposes. Mr Whalley Service Head Major Project Development - Development and Renewal, provided the assurances sought.
 - Commented that more recently good project management had resulted in Idea Stores being delivered to time and budget, but historically this

had not always been the case. In this context clarification/ assurance was sought from the Lead Member with regard to the overall cost of the ISL/OSS scheme in Watney Street Market, that it would be delivered to time and budget.

Councillor Jones, Lead Member Culture and Creative Industries:

- Emphasised the financial points highlighted by the Corporate Director Communities, Localities and Culture:
 - The time limitation on the award of £2 million funding from the BLF and its ring-fencing for this purpose.
 - That the combined ISL/OSS scheme would yield revenue savings of £60,000, but also lead to improved service provision.
- Commented that the original Idea Store Strategy included an Idea Store at Watney Market, so that people could do their shopping on the same journey as visiting the IS. There was a small library provision now but it had outgrown its space.
- Reiterated that the Local Development Framework and Town Centre strand of this underpinned the proposals for the scheme at Watney Market. It was identified as one of three priority town centres for improvement.
- Commented that there was an acknowledged overcrowding problem in the Shadwell and Whitechapel wards and this led to young people being unable to do their homework at home, thereby impairing their life chances. The library in Watney Market was too small to accommodate them and so the proposed ISL was vital for purely educational reasons.
- The original valuation of the site had been properly tendered and also there was no reason to think it was flawed, so it was unnecessary to undertake it again.
- The site was clearly not suitable for development of social housing and therefore given nil value.

Concluded by expressing the aspiration that the Cabinet would re-affirm its previous decision in relation to this matter.

The Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

1. That the advice /comments of the Overview and Scrutiny Committee, as detailed in the Tabled Reference (CAB), be noted; and
2. That the provisional decisions of the Cabinet, made on 7th July 2010, in relation to Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 010/101) be reaffirmed.

6. A GREAT PLACE TO LIVE

6.1 LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh (CAB 017/101)

Councillor S. Islam declared a personal interest in Agenda item 6.1 “LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh” (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority’s Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Islam was a tenant of Tower Hamlets Homes.

Councillor D. Jones declared a personal interest in Agenda item 6.1 “LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh” (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority’s Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

Councillor Francis, Lead Member Housing Heritage and Planning, in introducing the report, summarised the key points contained therein, commenting that:

- The report provided an update on the first year’s performance of the Tower Hamlets Housing Strategy the key objectives of which were: Delivering and managing Decent Homes
 - Managing demand and reducing overcrowding
 - Emphasis on place-making and sustainable communities
 - New supply of housing and particularly social housing
 - Housing investment Strategy and a Local Investment Plan comprising of key housing projects.
- Good progress was reported on:
 - Right to Buy “buy backs”
 - Local authority new build and the Local Homes Initiative
 - Decent Homes Pilots
 - Leasehold Services audit
 - Choice Based Lettings, which was now live
 - Preferred Partner Registered Social Landlords (RSLs) for development in the borough
- Significant challenges remained:
 - The Decant Strategy
 - RSL aids and adaptations
 - Commercial units on estates
 - Maintaining Decent Homes/ RSL Asset Management including improved asset database
 - Guidance on housing design for BME communities
 - Identifying funding for housing, by far the biggest challenge

Mr Coker, Strategic Housing Manager – Development and Renewal additionally:

- Outlined the areas on which the first refresh of the Housing Strategy, adopted in 2009, had focused, as set out in the report.
- Highlighted significant risks to the delivery of the Housing Strategy's objectives:
 - Tower Hamlets Homes not achieving the two star management standard from audit inspectors required to unlock capital resources necessary to deliver decent homes standard on the stock it managed on behalf of the Council. Also the possibility that this funding may no longer be made available by the Coalition Government regardless of achieving two star status.
 - Potential reduction in funding available from the Homes and Communities Agency National Affordable Housing Programme 2011-2014. Key housing projects at risk as a result of this would be 2012 Olympic Park, Blackwall Reach/ Robin Hood Gardens and the Bromley by Bow Masterplan Area.
- Informed members of the Cabinet that the Decant Strategy which initially came out of the emergency allocation plan would move forward to examine under-occupancy.
- Advised that 15 preferred RSL partners had now been selected for delivery of new build social housing.
- Addressed, at the request of the Chair, the matters raised by the Overview and Scrutiny Committee, held on 1st September 2009, in relation to the report; as set out in the tabled sheets of questions/ comments/ advice presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

The Chair **Moved** the recommendations as set out in the report; and it was: -

Resolved

1. That the contents of the Annual Review (2009/10) (Appendix 1 to the report (CAB 017/101)) and the Annual Refresh 2010 (Appendix 2) be approved; and
2. That the changes to the Tower Hamlets Housing Strategy detailed in Appendix 2 to the report (CAB 017/101) be agreed.

6.2 Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing (CAB 018/101)

Councillor H. Abbas declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Abbas was a former representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor S. Islam declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis

that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Community Housing.

The Chair informed members of the Cabinet that an additional paragraph 6.4 to the report "Local Homes Initiative: sale of additional land to Tower Hamlets Community Housing" (CAB 018/101), which contained supplementary information relating to the valuation process, and a revised valuation figure, for the land recommended for disposal in the original report, had been **Tabled**, a copy of which would be interleaved with the minutes.

Ms Thomas, Private Sector and Affordable Housing Manager – Development and Renewal, at the request of the Chair, in introducing the report and tabled additional paragraph thereof, summarised the key points contained therein, highlighting in particular:

- Cabinet had approved the principles of the Local Homes Initiative in December 2008 and subsequently agreed further details of the scheme and disposal of 8 small sites to Tower Hamlets Community Housing (THCH) and Poplar HARCA. The disposals were conditional on obtaining planning consent to build family sized homes on the sites and obtain funding from the Homes and Communities Agency (HCA).
- Slow progress resulted in the 2009/10 HCA funding allocation being allocated to other schemes which were currently on site and due to deliver 23 three bedroom units by Spring 2012.
- THCH had received a 2010/11 HCA funding allocation of £3.925m, for 23 units for rent, but this had to be taken up by December 2010, with the trigger being start on site. The grant rate is over £170,000 per unit as this allocation was made over a year ago. The current average grant rate for LBTH was less than £100,000 per unit.
- Paragraph 4 of the report indicated that the number of sites currently available, just 13 units, would not provide sufficient units to take up the full HCA grant allocation. THCH were working on smaller schemes on their own land and anticipated being able to provide an additional 4 units.
- The site at Hessel Street, in Whitechapel, could provide 6 three bedroom units; and were Cabinet to agree disposal to THCH for £1, it would enable THCH to take up their full allocation of funding from the HCA.
- However the HCA funding for the scheme was dependent not only on obtaining planning consent, but also on continued availability which was not guaranteed. HCA funding rules were now changing frequently with announcements from the Coalition Government, for example substitutions into a funded programme were no longer permitted. In this context members of the Cabinet were advised by Ms Thomas, on behalf of the Corporate Director Development and Renewal, that recommendation 2.2 of the original report should be revised to make clear that disposal of the site at Hessel Street was subject to funding for the scheme being confirmed as available by the HCA under its revised value for money criteria.

- If substitute schemes could not be found by THCH the HCA funding would be re-allocated to other schemes in the East London Sub-Region which were deliverable.
- The tabled additional paragraph 6.4 of the report advised that with the passage of time since the report was drafted, and the receipt of new information regarding density of development (size and number of units that THCH feel can be accommodated on the site) the premise for the original valuation of the land at £160,000 had changed and the market value was now considered to be in the region of £600,000. This also required a revision to recommendation 2.2 of the original report which recommended disposal at a nominal sum noting the forgoing a capital receipt of £160,000 in exchange for 100% nomination rights. Also the conditions of disposal set out in paragraphs 6.2 and 6.3 of the original report were referenced in recommendation 2.2 and to these an additional paragraph 6.4 had been tabled.

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Clarification/ assurance was sought and given as to the number of family sized social for rent homes that could be obtained were the Hessel Street site disposed of at a commercial value and the capital receipt used for that purpose, in short did the disposal at a nominal value forgoing a capital receipt of £600,000 in exchange for 100% nomination rights to units of this type still represent good value for the Authority.
- Clarification/ assurance was sought and given regarding whether residents with a parking space in the Brady Street car park site allocated for housing had been provided with a parking space elsewhere.
- Councillor Ali, Lead Member Environment, considered that were the proposals agreed it was appropriate to ensure that the terms and conditions of the disposal included pavement provision (adjacent to the public highway) of the required width to allow for pedestrians to pass by the finished development comfortably; and proposed for the consideration of members of the Cabinet that the recommendations set out in the report be amended accordingly.

The Chair then **Moved** the recommendations contained in the original report (taking account of the Officer advice given on behalf of the Corporate Director Development and Renewal, by the Private Sector and Affordable Housing Manager, and the proposed amendment from Councillor Ali), and it was:

Resolved

1. That the site detailed at a) below and identified on the Ordnance Survey maps attached at Appendix 1 to the report (CAB 018/101), owned by the Authority (and held under provisions of Part II of the Housing Act 1985) be declared surplus to the Authority's requirements;

a) Land at 36-42 Hessel Street, Whitechapel, E1

2. That, subject to (a) below, the disposal of the Authority's interest in the site to Tower Hamlets Community Housing at a sum of £1, for the purposes of providing a scheme containing 100% affordable housing on the conditions set out in paragraphs 6.2, 6.3 and 6.4 [latter paragraph tabled] of the report (CAB 018/101); noting that the Authority would forego a Capital Receipt of £600,000 in exchange for obtaining 100% nominations to family sized social rented homes, be authorised; and
 - (a) That funding be confirmed as available by the Homes and Communities Agency under its revised value for money criteria.
3. That the Director of Development and Renewal be authorised to negotiate the final details of the disposal of the land and that these include adequate pavement provision adjacent to the public highway.

7. A PROSPEROUS COMMUNITY

7.1 Pupil Place Planning and School Estate Strategy (CAB 019/101)

Councillor D. Jones declared a personal interest in Agenda Item 7.1 "Pupil Place Planning and School Estate Strategy" (CAB 019/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and Mulberry Secondary School specifically and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 4.0 "Deputations and Petitions", however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Ms Cattermole, Acting Corporate Director Children, Schools and Families, at the request of the Chair, in introducing the report summarised the key points contained therein, highlighting in particular:

- That the report provided an update on pupil projections and the Authority's associated strategy to meet its statutory duty to provide places for students.
- The Authority's Pupil Place Planning statement, originally prepared in January 2008, had now been reviewed by Officers in Children Schools and Families and Development and Renewal directorates to take account of a variety of factors including: known/ projected birth rates, school census data, student yield from planned housing developments (with a watching brief on new development), sustainable delivery of educational provision to meet demand, demographic movements (in and out of borough, including new arrivals of statutory school age).

Projections of population growth and the associated projections for school places to 2020 had been revised accordingly.

- The elements of the school estate strategy to meet rising demand for both primary and secondary school places and associated funding plans:
 - Primary: short term to be met by expansion of 5 existing schools. Longer term significant additional provision required in Central and east of borough by further expansions and two new primary schools (feasibility studies for expansion of 9 more primary schools underway).
 - Secondary: short term demand to 2014/15 to be met by expansion of number of forms of entry at existing schools, (detailed discussions underway with governing bodies) and an additional 8 form entry school included within the Building Schools for the Future Programme; also re-location of Bow Boys School. Demand additional to this post 2014 to be met by expansion/ refurbishment of existing estate and optimum usage of unused places.
- Further report to be presented to Cabinet by December 2010.
- Addressed the matters raised by the deputation in relation to the report earlier in the proceedings as follows:
 - Officers had liaised closely with the parents group from Wapping/Shadwell over past months, examined their proposals in detail and had made arrangements for them to visit John Orwell Sports Centre.
 - An options appraisal had been undertaken to inform the Authority's strategy to meet forecast growth at secondary level, starting by looking at sites owned by the Authority and those suitable for new school build.
 - A more detailed options appraisal would be undertaken for growth beyond 2015, and the outcomes reported to Cabinet in December 2010, with the Wapping/Shadwell parents group proposal given careful consideration as part of this process.
 - The Authority's proposed strategy up to 2014-15 is to create additional forms of entry at existing schools and to relocate Bow Boys to a site at Bow Lock, the feasibility study for this site was ongoing. Further growth thereafter was predicted, and this would involve identifying a site for a "new" school.
 - Under Coalition Government legislation any new school would be subject to competition. This means that parties would be invited to bid to run and operate the school and this could be the local authority, charities or other interest groups. On the other hand, free or "additional" schools as they are now referred to are independent schools and will be classified as Academies.
 - Any "additional" school will require a business case and this will be submitted to the New Schools Network. At this point the viability of the business case will be tested and agreement to a new school will be subject to the parties finding a site with the appropriate facilities.
 - Officers and Members were sympathetic to the case presented by the deputation earlier in the proceedings and the Acting

Corporate Director Children Schools and Families committed to including it as part of the options appraisal review. However it was important to note, that the Council had a statutory duty to provide school places to all young people in Tower Hamlets and the Authority's planning must therefore be on a borough-wide basis.

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Concern was expressed in relation to the expansion of Wellington Primary School regarding access/ road safety issues for the additional students, and the need for the Authority to work towards viable communities around schools.
- Clarification/ assurance was sought and given regarding previous proposals for a bulge class at Olga Primary School which no longer appeared to be included within the Pupil Place Planning Strategy.
- Concern was expressed regarding the safety of school students needing to cross The Highway, a major arterial road in Wapping, and clarification/ assurance was sought as to whether a feasibility study had been undertaken in respect of constructing an underpass or overpass at the western end of this. The Acting Corporate Director Children Schools and Families undertook to liaise with Communities, Localities and Culture directorate and also Transport for London regarding making the case for this crossing.
- Consideration with regard to the potential relocation of Bow Boys School at the Bow Lock site, located to the east of the Blackwell Tunnel Approach, that detailed planning must be undertaken as to how students would access the site particularly those students in Bow East and Bow West wards. The Acting Corporate Director Children Schools and Families assured the Member that this was in hand.
- Commented that one of the attractions of the proposal for a secondary school in the Wapping area was that it would ease pressures of demand at the centre of the borough which would be beneficial elsewhere.
- Clarification was sought and given in relation to the impact of new academies in the London Borough of Hackney on the intake of students to secondary schools in Tower Hamlets.

The Chair requested that Officers take account of the comments/ suggestions made by members of the Cabinet during their deliberations, and subsequently **Moved** for the consideration of members of the Cabinet, that recommendations 2.2 to 2.5 as set out in the report be agreed; and in relation to recommendation 2.1 "That the contents of the report be noted"; and it was:-

Resolved

1. That the content of the report (CAB 019/101) be noted; also noting that the population growth which it projects will have implications for wider Council and public services beyond statutory education provision;

2. That it be noted that officers are continuing to develop feasibility studies for the provision of a new school(s) on Bow Lock and Southern Grove and that it be agreed that the outcome of these studies is reported back in December 2010;
3. That the strategy in response to the projected increasing demand for secondary school places beyond 2014/15 be agreed, also noting that this demand will exceed capacity in spite of the plan to provide a new 8 form entry (FE) secondary school;
4. That the strategy in response to the projected increasing demand for primary schools places up to 2020 be agreed; and
5. That relevant Council officers be instructed to identify and shortlist suitable sites and associated resource for educational use, whether council or privately owned, to meet this demand and report on this by November 2010.

7.2 Wellington Primary School and Phoenix Special School - Decisions on statutory proposals (CAB 020/101)

Councillor D. Jones declared a personal interest in Agenda Item 7.2 "Wellington Primary School and Phoenix Special School - Decisions on statutory proposals" (CAB 004/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Cabinet members welcomed in particular the proposal contained in the report for the addition of a sixth form at Phoenix School, which responded to the need for sufficient and appropriate school places for post 16 students with Special Educational Needs.

The Chair **Moved** the recommendations as set out in the report; and it was: -

Resolved

1. That the contents of the report (CAB 020/101), including the published statutory proposals for Wellington School at Appendix A and for Phoenix School at Appendix B of the report (CAB 020/101), be noted;
2. That the statutory requirements for the school organisation decision-making process and the considerations to be taken into account in making any decision, set out in paragraphs 6 and 7 of the report (CAB 020/101), be noted;
3. That the proposals as published for the expansion of Wellington Primary School from 1 September 2011 (attached as Appendix A to the report CAB 020/101) be approved; and

4. That the proposals as published for the addition of a sixth form at Phoenix School from 1 September 2010 (attached as Appendix B to the report CAB 020/101) be approved.

7.3 Update on Building Schools for the Future Programme (authorisation to enter into contracts) (CAB 021/101)

Councillor H. Abbas declared a personal interest in Agenda Item 7.3 "Update on Building Schools for the Future Programme (authorisation to enter into contracts)" (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to Swanlea Secondary School, and his son attended Swanlea Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.3 "Update on Building Schools for the Future Programme (authorisation to enter into contracts)" (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and referred specifically to Mulberry Secondary School, and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Ms Cattermole, Acting Corporate Director Children, Schools and Families, at the request of the Chair, briefly introduced the report summarising the key points contained therein.

The Chair **Moved** the recommendations as set out in the report, noting that the Authority's Building Schools for the Future programme was one of the few that had not suffered from the recent cuts announced by the Coalition Government; and it was: -

Resolved

1. That the acceptance of the final tenders from Tower Hamlets Local Enabling Partner (The LEP) for the Design and Build Contracts for Swanlea and Harpley PRU, together with such ancillary services incidental to the BSF schemes, the terms of each agreement or document to be agreed by the Corporate Director of Development and Renewal provided and conditional upon each scheme being within the target cost figure of: Swanlea £16,345,518 and Harpley £6,626,924, as set out in paragraph 3.1 of the report (CAB 021/101), be authorised;
2. That the Corporate Director of Development & Renewal be authorised to accept the final tenders for Raines Foundation and Bowden, due to be agreed during August 2010, as long as they are contained within the funding envelope of £20,341,600 and £8,968,720 respectively, as set out in paragraph 3.2 of the report (CAB 021/101) and;
3. That the Corporate Director of Development & Renewal be authorised to enter into Design and Build contracts and any other ancillary

agreements, undertakings and obligations incidental to the BSF Scheme with TheLEP for each of the above projects outlined in resolutions 1. and 2. above; subject to final approval of all the contractual documents by the Assistant Chief Executive (Legal Services) .

7.4 Framework for Minor Works and Repairs (CAB 022/101)

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein commenting that: the framework built on strategies approved in 2009/10, contributing to significant efficiencies to be realised from a closer management of the Council's third party spend; the importance of which had been set out by the Lead Member Resources in introducing his motion relating on the Budget report [Agenda item 10.2] earlier in the proceedings. The Council spend on responsive repairs and minor works was in the region of £25 million per annum and historically these activities had been undertaken in a series of arrangements which the proposed framework would streamline.
- The tighter framework would also bring improved opportunities for local small and medium size businesses, already supported by the Procurement Strategy which required competition for all Council spend under £25,000, and where local suppliers were preferred.
- Procurement practice would also be improved with improved legal compliance.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 3rd August 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Vice-Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A short discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Clarification/ assurance was sought and given that the Authority's commitments to equalities including equal pay, trade union representation/ employee rights, the London Living Wage and local business in Tower Hamlets were being accommodated by the Authority's contractors/ suppliers and within the Framework for Minor Works and Repairs so far as was possible.
- Councillor Ali, Lead Member Environment, considered that the framework should include quality assurance mechanisms for works undertaken by the Authority's contractors, so that their performance could be monitored and appropriate action taken if this was not satisfactory; and proposed for the consideration of members of the Cabinet that the recommendations set out in the report be amended accordingly.

The Chair **Moved** the recommendations set out in the report (taking account of the amendment proposed by Councillor Ali); and it was: -

Resolved

1. That, subject to (a) below, the option of establishing a framework agreement for Minor Works and Repairs to cover the various speciality trades as Lots, be approved;
 - (a) Inclusion of quality assurance mechanisms where appropriate.
2. That the use of the framework for Minor Works and Repairs be compulsory unless otherwise agreed by Service Head Procurement and Corporate Programmes; and
3. That the Corporate Director of Resources be authorised to award the framework agreement for Minor Works and Repairs to the successful bidders.

7.5 Allocation process for Council-owned property to Third Sector Organisations (CAB 023/101)

Councillor A. Ullah declared a personal interest in Agenda Item 7.5 “Allocation process for Council-owned property to Third Sector Organisations” (CAB 023/101). The declaration was made on the basis that the report contained recommendations relating to the future process for the allocation of Council owned property to Third Sector organisations, and Councillor Ullah was Secretary for a local voluntary organisation which currently had access to Council owned premises.

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 5.1 “Overview and Scrutiny - Chair’s Advice of Key Issues or Questions in relation to Unrestricted Business to be considered”, however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report:, summarised the key points contained therein and addressed the matters raised by the Overview and Scrutiny Committee, held on 3rd August 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Vice- Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A brief discussion followed which focused on the following point:-

- Councillor Islam, Lead Member Regeneration and Employment, commented that the criteria for assessing applications to transfer property owned by the Council, in terms of whether the proposed use of premises provided benefits to the community, required strengthening

with regard to the provision of supporting evidence from the electoral roll as to local representation on the organisation's board/ committee. He considered local representation on such a board should comprise of at least four local residents. Councillor Islam proposed, for the consideration of members of the Cabinet, that the recommendation set out in the report be amended accordingly.

The Chair **Moved** the recommendation set out in the report (taking account of the amendment proposed by Councillor Islam) commenting that suspicions were sometimes raised by current arrangements for the allocation of Council property, and therefore a formalised process which added transparency was welcome; and it was: -

Resolved

That subject to (a) below, the recommendations in this report be agreed, specifically:

- The proposed methodology for the allocation of Council-owned property for use by Third Sector organisations through appropriate leasing arrangements and a two stage process:
 - A stage one: Gateway Eligibility criteria
 - A stage two: Strategic Assessment criteria

- (a) Stage One: Gateway Eligibility criteria set out at Appendix 2 to the report be revised as follows: Question 1 Proposed use of premises provides benefits to the community: Supporting evidence provided, element c):
Following text to be deleted:
"Application form cross checked against the electoral roll register to demonstrate that the organisation's board or committee has some local representation (minimum of one person)".
Following text to be inserted:
"Application form cross checked against the electoral roll register to demonstrate that the organisation's board or committee has some local representation (minimum of four persons)".

8. A SAFE AND SUPPORTIVE COMMUNITY

The Clerk advised that there were no business to be considered under this section of the agenda.

9. A HEALTHY COMMUNITY

9.1 Children Schools and Families Contract Awards (CAB 024/101)

The Chair informed members of the Cabinet that the report had been withdrawn upon the advice of Ms Cattermole, Acting Corporate Director Children Schools and Families, to allow further development of the proposals, before submission to a future meeting of the Cabinet for consideration.

10. ONE TOWER HAMLETS

10.1 Strategic Performance and Corporate Revenue Budget Monitoring 2009/10 Year End Report (CAB 025/101)

Councillor Peck, Deputy Leader of the Council and Councillor Edgar, Lead Member Resources highlighted key points within the report and commented as follows:

- Significant achievements by the Council over the past year had included:
 - A reduction in the number of homeless families in temporary accommodation from 3000 to 2000 households.
 - A significant improvement in household waste recycling with the percentage rate approaching 30% or a 37% increase in household waste recycling.??
 - A 3.4% reduction in the proportion of children in the borough living in poverty.
- The above were measures of achievement, but the Coalition Government was sweeping away performance management by which public satisfaction with the provision of services by local authorities was measured, and this was not surprising given its major cuts in the funding of Public Sector Services. In this context The Council needed to re-examine how it would drive performance.
- The 2009/10 outturn in the General Fund which had been almost in line with budget, with a small under-spend of £31,000, was a testament to the financial management of the Authority's staff. However in the new environment of severe financial constraint financial management was even more important to prevent overspend.
- Substantial efficiency savings had been achieved in 2009/10 but they were not of the level required. In the context of severe Government funding cuts for the Authority there was a much sharper focus on efficiency savings and it was vital to ensure these were delivered.
- The report indicated that debt collection performance was below target and the importance of achieving these targets was emphasised.

A brief discussion followed which focused on the following points:-

- Councillor Ullah, Lead Member Community Safety, In referring to Appendix 2 "Strategic Plan Progress Report 2009/10", Priority 4.2 "Tackle and Prevent Crime", Activity 62 "Develop a drug intervention and enforcement policy", commented that this would encompass enforcement relating to the use of crack cocaine by children, although there was no evidence to suggest this was prevalent in Tower Hamlets.

- Councillor Francis, Lead Member Housing Heritage and Planning commended the work of Officers and of Tower Hamlets Homes in achieving the 2009/10 Housing Revenue Account outturn where there had been a minor under-spend. The performance well beyond target for service charge collection was also commended. However the target for rent collection of greater than 100% was considered to be beyond comprehension and accordingly it was requested that this be re-examined.
- Consideration that the number of books borrowed was a more appropriate performance indicator than the number of visits to libraries/ Idea Stores.

The Chair **Moved** the recommendations set out in the report; and it was: -

Resolved

1. That the 2009/10 performance including areas where further work is needed to ensure the Authority delivers improved outcomes be noted;
2. That Appendix 1 to the report (CAB 025/101) – Annual Report Performance Summary be approved for publication on the Council's website as an update on performance for residents;
3. That the Council's financial position as outlined in paragraphs 5.7-17 and detailed in Appendix 5 to the report (CAB 025/101) be noted; and
4. That the transfers to and from earmarked reserves, as set out in this report (CAB 025/101) and at Appendix 6 to the report, be approved.

10.2 Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review (CAB 026/101)

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 7.5 "Allocation process for Council-owned property to Third Sector Organisations" (CAB 023/101), however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

The Chair informed members of the Cabinet that Councillor Edgar, Lead Member: Resources, had **Tabled** a **Motion** in relation to the recommendations set out in the report, a copy of which would be interleaved with the minutes.

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report summarised the key points contained therein, highlighting that:

- The report outlined the formal Budget planning process for 2011/12 and for setting a Three Year Budget for the period 2011/12 to 2013/14. The ultimate outcome of this process would be a set of proposals which would be submitted to full Council for consideration in March 2011.
- The report was one of a suite being submitted for Cabinet consideration in relation to the impact of Coalition Government announcements of cuts to Local Government funding in future years, and the Authority's planned response to this. The financial projections were based on a number of assumptions, based on both existing announcements and indications from Government.
- A key focus of the Authority's response to the savings required by Government was to tackle this in a three year plan which optimised opportunities to close the Budget gap through achievement of savings whilst also protecting priority front-line services as far as possible.
- Appendix D to the report outlined the key elements of the strategy to close the Authority's future Budget gap.

Councillor Edgar, Lead Member Resources, in **Moving** the tabled motion commented that: -

- It was important to place the proposals set out in the motion in the context of the existing announcement by the Coalition Government of £6.2 billion in public service spending cuts; and the response of the Authority's Cabinet to this, in July 2010, with agreement of approximately £8 million of savings. These had focused on reducing the number of agency staff and associated spend, vacancy, performance and sickness management, bringing forward efficiency savings, utilising under-spends and bearing down on supplier costs; and had been agreed early on with a view to protecting front line services.
- Since that point the Coalition Government had announced that public services, where the budget protected was not protected as a matter of policy, would face substantial spending cuts in real terms over the next four years of between 25% and 40%; a grim prospect. This was in addition to cuts in Area Based Grant (ABG), announced earlier in the year, which would have the greatest impact on boroughs that were most in need. The per capita impact of this in Tower Hamlets was double that in the Prime Minister's constituency, and this gave some indication of the Coalition Government approach.
- The impact of the projected cuts in Local Government funding for Tower Hamlets was thought to be in the range of £57 million and million over the next 3 years. The cuts in revenue grant and 40% cuts

in ABG would have a particular impact on areas of East London such as Tower Hamlets.

- Appendix D to the report outlined the Administration's strategy to optimise savings of certain types:
 - Better procurement
 - Streamlining management arrangements
 - Better asset management such as buildings
 - Smarter and more flexible working by staff
 - Improved income collection arrangements.
 - Optimising opportunities of ICT to provide more flexible and efficient services.

with a view to protecting services which were important to the residents of Tower Hamlets and made a big difference to their lives such as:

- Supporting schools which were raising achievement.
- Provision of opportunities for young people aspiring to a better life and career.
- Maintaining good work to support the elderly and other vulnerable elements of the Community.

Driving savings of this nature was the best chance the Council had of minimising the impact of cuts on services that benefited the community and met the needs of its vulnerable elements, which it had worked hard to provide.

- Emphasising the importance of understanding the impact of spending cuts on different elements of the community, in particular the importance of equality impact assessments in this regard. Also the importance of an extrospective approach reflective of the impact of the spending cuts on other agencies/ partners who provided services to residents of the borough, and taking account of the bigger picture including these agencies when making the required spending cuts.
- Concluding by commending the motion's proposals to the Cabinet.

A discussion followed, during which the proposals in the motion were endorsed, and which focused on the following points:-

- The importance attached by the Lead Member Resources to understanding the equalities impact of spending cuts across the borough was welcomed.
 - Noted the conclusions of a recent report by Yvette Cooper: that 75% of the impact of such cuts would impact on women, and that of the Fawcett Society: that the Government could be in breach of its legal obligations in this regard; also noted the indication that this provided of the Government's lack of interest in the equalities impact of its approach to public sector spending cuts.
 - Consideration that the attack on benefits and the threat to secure tenancies in social housing by the Coalition Government would have a tremendous impact on some elements of the Community in Tower Hamlets; and requested, in this context, that the Leader of the Council work with the Authority's partners to minimise the equalities impact of cuts in public service across the borough.

- Commented that with the drip feed of announcements on spending cuts from the Coalition Government, the proposals contained in the motion were inevitable. Consideration that the Lead Member Resources was right to anticipate and prepare for cuts in the Revenue Support Grant in the region of 25% and also the significant risk to Area Based Grant for Tower Hamlets, cuts thought to be in the region of £5 million ABG and £8 million in other grants. Commented also that it was important to note the practical meaning of ABG: it included £15 million received by the Council, half of which was used to support provision of sheltered accommodation for the elderly and half to support provision of housing for vulnerable homeless people.
- Consideration also that this level of cuts (including 50% in ABG) would make management of the process with a view to protecting services extremely difficult. Confidence was expressed that the Lead Member would strive to prevent the proposal of savings that would undermine the Authority's ability to provide services, however in the context of the huge savings of approximately £70 million over 3 years in addition to the £8 million already agreed clarification/ assurance was sought and given that the process of identifying savings would focus on reducing back office costs of administration/ bureaucracy before challenging service cuts were proposed.

The Chair formally **Seconded** the motion as tabled, commenting that:

- The calculated approach of the Coalition Government to public service spending cuts had been noted by the Cabinet.
- The pro-active approach set out in the report, and motion from the Lead Member Resources, in responding to these cuts had been welcomed by the Cabinet.
- The Labour Administration was working closely with the Trades Unions to find the best way of protecting jobs and services for local residents.
- It was important to work in partnership with other providers of public sector services to minimise the impact of cuts on public services which as a whole made a huge contribution to the quality of life of local residents.
- The commitment of the councillors from the Conservative and Liberal Democrat group to lobby Government, in relation to cuts in funding for Tower Hamlets, had been noted welcomed at the last Cabinet meeting in July.

and it was:-

Resolved

- 1 That the financial outlook and medium term projection set out in the report (CAB 026/101) including the announcement by the Government of public spending cuts averaging 25% over the four years from 2011/12 to 2014/15, be noted.
- 2 That the outcome of the review of the budget for 2010/11 and officers' advice on the risks of additional costs falling in 2010/11- 2013/14, be

noted and the Medium Term Financial forecast for 2011/12-2012/13 also be noted;

- 3 That the approach to developing the Strategic Plan, set out in Section 4 of the report, (CAB 026/101), be noted;
- 4 That the position in relation to funding for the capital programme be noted, and it be agreed that non ring-fenced capital resources from Government should be treated in the same way as locally generated funding for capital planning purposes;
- 5 That the position in relation to the Housing Revenue Account be noted, and a three year savings target of £4.7m by the end of 2013/14 be agreed;
- 6 That the Authority's Corporate Management Team prepare service and financial planning submissions in accordance with a savings target for the General Fund revenue budget of £57.5m over the period 2011/12 to 2013/14, as set out in Appendix A to the report (CAB 026/101), and a savings target for Area Based Grants of £12.7m over the same period; giving a total savings target of £70.2m;
- 7 That it be agreed that the Cabinet's priority of protecting frontline services, (in particular the priority of achieving a safe and secure community for all residents of Tower Hamlets), and the themes emerging from the Service Options Review, attached at Appendix D to the report (CAB 026/101), provide the framework for achieving the savings target of £70.2m;
- 8 That savings options should include an assessment of the equalities impact;
- 9 That the timetable set out in Appendix G to the report (CAB 026/101) be agreed;
- 10 That £2.5m be earmarked from General Reserves to fund work required to conclude a variation to the Council's Grouped Schools PFI contract, and that the Chief Executive be authorised to agree expenditure of sums up to this amount; and
- 11 That the Corporate Director Resources be authorised to allocate reserves set aside for measures to manage transformation and improve efficiency, in order to progress work to identify savings.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

The Clerk advised that there were no business to be considered under this section of the agenda.

12. UNRESTRICTED REPORTS FOR INFORMATION

12.1 Treasury Management Activity for Period Ending 31 May 2010 (CAB 026/101)

The Chair **Moved** the recommendation as set out in the report and it was: -

Resolved

That the contents of the report (CAB 026/101) be noted.

13. EXCLUSION OF THE PRESS AND PUBLIC

The Chair **Moved** and it was: -

Resolved:

That pursuant to regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
- Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 (“the 1972 Act”). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.
 - Agenda item 14. “Exempt/ Confidential Minutes” (of the meeting of the Cabinet held on 7th July 2010) contained information
 - Relating to any individual.
 - The financial or business affairs of any particular person (including the authority holding that information).
 - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
- (b) As although there is a public interest favouring public access to local authority meetings, in this case the Cabinet concluded that given the information contained in:
- Agenda Item 14. “Exempt/ Confidential Minutes” (of the meeting of the Cabinet held on 7th July 2010) relating to
 - any individual.

- The financial or business affairs of any particular person (including the authority holding that information).
 - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
- that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

14. EXEMPT / CONFIDENTIAL MINUTES

Minutes of the Cabinet meeting held on 7th July 2010 agreed.

15. OVERVIEW & SCRUTINY COMMITTEE

15.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.

Nil items.

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

Nil items.

16. A GREAT PLACE TO LIVE

Nil Items.

17. A PROSPEROUS COMMUNITY

Nil Items.

18. A SAFE AND SUPPORTIVE COMMUNITY

Nil Items.

19. A HEALTHY COMMUNITY

Nil Items.

20. ONE TOWER HAMLETS

Nil Items.

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

Nil Items.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil Items.

The meeting ended at 7.55 p.m.

Chair, Councillor Helal Abbas
Cabinet

Agenda Item 6.1

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Aman Dalvi Originating officer(s) Jennifer Richardson Strategic Planning Manager		Title: LDF Core Strategy: Adoption of the plan Wards Affected: All Wards	

Lead Member	Cllr Marc Francis Lead member for Housing Heritage and Planning
Community Plan Theme	A Great Place to Live
Strategic Priority	All Priorities

1. **SUMMARY**

- 1.1 Council officers have been working toward preparing the Local Development Framework– Core Strategy. The Core Strategy is the most important part of the Local Development Framework as it sets the spatial vision and the priorities for the next 15 years and beyond.
- 1.2 The Core Strategy has been through an extensive preparation process over the last 3 years, including evidence base collection, option testing, public consultation, member approval and independent examination. The Core Strategy has now been found sound by the Planning Inspector and therefore is now able to be considered by the Council for its adoption.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Consider the Final Core Strategy in Appendix 1 and the Inspectors report and three Annexes as included in Appendix 2.
- 2.2 Recommend that full Council adopt the Local Development Framework Core Strategy (including the Inspectors required amendments) to be a part of the borough's Development Plan.

3. REASONS FOR THE DECISIONS

- 3.1 The decision to adopt the Core Strategy is required in accordance with Planning and Compulsory Purchase Act 2004 (Section 23 – Adoption of an Local Development Document), if the local authority seeks to enact the policies included in the plan.
- 3.2 It should be noted that, in accordance with Section 23 (3) and (4), the planning inspector's report is binding, meaning that the local authority must adopt the plan with the changes that are recommended.

4. ALTERNATIVE OPTIONS

- 4.1 The Council may alternatively choose not to adopt the Core Strategy, including choosing not to adopt any one of the Inspectors binding recommendations. This would mean that the work undertaken would be aborted and work would start again on the production of the Core Strategy.
- 4.2 There are substantial risks and implications associated with this option including risks of not having an up to date planning framework to manage growth and change, as well as significant cost implications. It would also undermine for the current work being undertaken on the second tranche of plans coming forward as a part of the Local Development Framework.
- 4.3 This in turn would significantly limit the Council to deliver other priorities such as the delivery of new homes, including family homes, new jobs and critical infrastructure including a possible new in borough waste facility, new primary and secondary schools and other essential infrastructure critical to support the development of sustainable communities and deliver the borough's Community Plan vision and objectives.

5. BACKGROUND

- 5.1 The adoption of the Local Development Framework - Core Strategy is the last step in a long process of developing a core strategy for the Council. The Core Strategy has regularly been reported to the Cabinet and Council throughout its stages of production, including most recently been approved by Council on 9 December 2009 for its submission to the Secretary of State.

6. BODY OF REPORT

- 6.1 The Local Development Framework – Core Strategy is the spatial interpretation of the Community Plan and thus is one of its central delivery tools. The Core Strategy sets out the strategy for how the borough will seek to manage physical change, including illustrating where and when growth and change will happen in the borough. In Tower Hamlets context this strategy outlines an ambitious growth strategy, as the borough takes on its role as one of the fastest growing borough in country.

- 6.2 The Core Strategy has been through an extremely comprehensive process of production and approval. Previous reports considered by the Council, including the report to Council on 9 December 2009, outline in detail the extensive work, including the development of evidence base, the testing of options and the public consultation and partnership working that underpins this strategy.
- 6.3 Following Council resolution, the Council submitted the Core Strategy to the Secretary of State on the 18 December 2009. The Secretary of State then appointed Sue Turner to undertake an examination into the soundness of the Core Strategy.
- 6.4 The examination comprised nine hearings over five days between 13 and 21 April 2010. These were attended by Cllr Francis, the Chief Executive, the Director of Development and Renewal as well as a number of senior managers over the course of the examination.
- 6.5 On 15 July 2010 Council received the Final Report from the Planning Inspectorate. This report found that the Core Strategy was sound subject to a number of minor amendments.
- 6.6 The Inspectors report, including all the required changes that have been made to the Core Strategy prior to adoption, are included in Appendix 2 of this report.
- 6.7 The adoption of the Core Strategy brings to an end a long and at times difficult preparation process. The radical overhaul of the planning system in 2004 was subject to some well publicised 'teething troubles', which Tower Hamlets experienced first hand in 2007.
- 6.8 The Tower Hamlets Core Strategy 2010 has now been recognised by number of bodies as an example of best practise for the country. In particular the Council has been recognised for its work on place-making, incorporating design into planning and for its collaborative working with the local strategic partnership (in particular our work on infrastructure planning and working with NHS Tower Hamlets to address issues of health and planning).
- 6.9 The production of this plan represents a truly collaborative and innovative process; across both the Council and the wider partnership. The strategic planning team would like to take this opportunity to thank officers from across the Council, key external stakeholders, the corporate management team, the Partnership, the Chief Executive, members and local people for their significant contributions that have shaped development of this plan over a number of years.

Next Steps

- 6.10 Subject to the Council resolving to adopt the Core Strategy in accordance with the recommendation of this report, the Core Strategy will become the

principle plan within the Tower Hamlets Local Development Framework. This decision will be published in local press, on the Council website and all interested parties who have involved in the production of these plans will be notified of this decision.

- 6.11 Work has already started on the development of next phase of local development plan documents which will support the Core Strategy. These include: the Site and Place-making DPD, the Development Management DPD and the Fish Island Area Action Plan.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report seeks approval by Cabinet to submit the Core Strategy (including the Inspectors required amendments) to full Council, for adoption towards the Local Development Framework.
- 7.2 As outlined in the report to Cabinet in September 2009, the Core Strategy will underpin key decisions in relation to the allocation of the limited resources available within the Borough, and will influence the shaping of the Council's Capital Strategy.
- 7.3 The ongoing medium and long term financial planning of the Council will need to take account of the growth pressures contained within the Core Strategy. A robust monitoring process will review the reported outputs of the population change and growth model, including assessments of housing completions and their implications on infrastructure. Reports will be considered quarterly by the Council's Asset Management and Capital Strategy Board.
- 7.4 Following adoption of the Core Strategy by full Council, there will be revenue expenditure incurred in the production of the document. This will be funded through existing identified resources.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 The Core Strategy is adopted by a local planning authority under section 23 of the Planning and Compulsory Purchase Act 2004 (as amended). The authority may only adopt the Core Strategy if they accept the modifications to the Core Strategy suggested by the Inspector to this report as these modifications are binding on the authority.
- 8.2 The Cabinet are being asked to decide whether or not to recommend to Full Council that the Core Strategy is adopted with the required amendments. This is because the Local Authorities (Functions and Responsibilities) (Amendment) (No.2) Regulations 2005 provide that the process of preparation of development plan documents is an Executive responsibility

but the formal process of submission to the Secretary of State and adoption are the responsibility of Full Council.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The Core Strategy delivers the spatial component of the Community Plan. It is the principal strategy that will deliver One Tower Hamlets through proactively planning and designing for the different places that make up Tower Hamlets.
- 9.2 The Core Strategy recognises that each place is different, and how they all have their role and function but all come together to help build an outward looking One Tower Hamlets. Through extensive consultation in conjunction with the Partnership, the quality and needs of each place have been addressed and visions have been generated to shape the future of each place in the borough.
- 9.3 Full consideration and engagement has ensured that the vision of One Tower Hamlets is embedded throughout the Core Strategy, in order to translate that vision in a spatial sense for the borough by delivering high quality places through place-making.
- 9.4 The Core Strategy is also supported by an Equalities Impact Assessment. The Equalities Impact Assessment considered impacts which are relevant for the Core Strategy as well as for development more generally. As a result the suggested mitigated activities have been embedded within the Core Strategy and will also be taken forward through the forthcoming development plan documents. This is in accordance with the Equalities Impact Assessment golden thread approach for the Local Development Framework. The Core Strategy Equalities Impact Assessment specifically recognised place-making as a vital component of this Strategy and recognised its importance in designing and developing places.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The Core Strategy has been subject to a Sustainability Appraisal and Strategic Environmental Assessment in accordance with the Planning and Compulsory Purchase Act 2004 and the Directive 2001/42/EC. The Core Strategy includes strategies and policies to assist mitigate and adapt to climate change and will assist the Council to meet Ni186, which looks to reduce CO2 emissions per capita across the borough by 60% in 2025 and contributes to meeting Ni197 for biodiversity improvements.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A risk management matrix has been developed for this project in accordance with Corporate Policy. The key risks have been regularly discussed with the Core Strategy Steering Group and reported to the Council's Corporate Management Team. Many of the identified risks have been successfully

mitigated through robust evidence base, as well as proactively engagement of partners and key stakeholders. The most significant risk relates to the ongoing changes to national planning policy and legislation and the plan making guidance, although recent changes have allowed for a greater degree of flexibility.

- 11.2 An LDF Programme Board has now been established, which is chaired by the Director of Development and Renewal, to ensure the effective implementation of the Core Strategy, through effective management of the forthcoming plans.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The Core Strategy function is to best manage the physical environment such that we achieve the Community Plan theme of a Great Place to Live. The Core Strategy includes a priority of 'Creating attractive and safe streets and spaces'. Its focus on the importance of design seeks to design out crime through high quality and intelligence design solutions.
- 12.2 Officers have worked with the Borough Commander and other representatives the Tower Hamlets Borough Police throughout the development of this Strategy. The future infrastructure needs for police has also been addressed.

13. EFFICIENCY STATEMENT

- 13.1 Much of the evidence base prepared to inform the Core Strategy has been designed to provide both evidence for the Core Strategy, as well as informing other reports and strategies. This shared evidence includes (but is not limited to), the Town Centre Spatial Strategy, the Population Change and Growth model, the Strategic Housing Market Assessment, the Waste Evidence Report, the Urban Structure and Characterisation report and the Infrastructure Delivery Plan. Where appropriate, costs have also been shared between parties.
- 13.2 One key example is Population Change and Growth model which the Partnership's Joint Intelligence Group will use to understand the nature and location of population growth across the borough and how that will impact on service provision in Tower Hamlets over time.

14. APPENDICES

Appendix 1 – The Tower Hamlets Core Strategy
Appendix 2 – The Final Report for the Tower Hamlets Core Strategy
(including Annex 1,2, and 3)

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

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

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.x
Equalities Impact Assessment	Jennifer Richardson, x5375

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Report to the London Borough of Tower Hamlets

by Sue Turner RIBA MRTPI IHBC

an Inspector appointed by the Secretary of State
for Communities and Local Government

The Planning Inspectorate
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2 The Square
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Bristol BS1 6PN
☎ 0117 372 8000

15 July 2010

PLANNING AND COMPULSORY PURCHASE ACT 2004

SECTION 20

REPORT ON THE EXAMINATION INTO THE LONDON BOROUGH OF TOWER HAMLETS CORE STRATEGY

DEVELOPMENT PLAN DOCUMENT

Document submitted for examination on 18 December 2009

Examination hearings held between 13 and 21 April 2010

File Ref: E5900/429/9

ABBREVIATIONS

AAP	Area Action Plan
AHVS	Affordable Housing Viability Study
CAZ	Central Activity Zone
CIL	Community Infrastructure Levy
CS	Core Strategy
DPD	Development Plan Document
EIA	Equalities Impact Assessment
ELS	Employment Land Study
IDP	Infrastructure Delivery Plan
IDPR	Infrastructure Delivery Plan Report
LAP	Local Area Partnership
LDF	Local Development Framework
LIL	Local Industrial Location
LOL	Local Office Location
OSS	Open Spaces Strategy
POL	Preferred Office Location
PPCG	Planning for Population Change and Growth
PPS	Planning Policy Statement
SHLAA	Strategic Housing Land Availability Assessment
SHMNA	Strategic Housing Market and Needs Assessment
SCI	Statement of Community Involvement
SFRA	Strategic Flood Risk Assessment
SIL	Strategic Industrial Land
SME	Small and Medium Enterprise
SMOWS	Small and Medium Office and Workplace Study
SO	Strategic Objective
SPD	Supplementary Planning Document
TCSS	Town Centre Spatial Strategy
THHS	Tower Hamlets Housing Strategy
USCS	Urban Structure and Characterisation Study
WEB	Waste Evidence Base Report
WHS	World Heritage Site

Non-technical Summary

This report concludes that the Tower Hamlets Core Strategy provides an appropriate basis for the planning of the Borough over the next 15 years. The Council has sufficient evidence to support the strategy and can show that it has a reasonable chance of being delivered.

A limited number of changes are needed to meet legal and statutory requirements. These can be summarised as follows:

- Wording changes suggested by the Council to ensure that there is better explanation of how and when policy tools and designations will be designated and defined;
- Extension of the timescale for delivery of infrastructure on the Leven Road Gasworks site to ensure delivery timescales are realistic;
- Amended wording to allow the potential for developer contributions to be managed via the Community Infrastructure Levy;
- Re-organisation of the Programme of Delivery to improve its clarity and strengthen the key role it plays in the implementation of the plan;
- Amendments to improve consistency with the London Plan; and
- Re-location of the placemaking section to an Annex to avoid inconsistencies within the main part of the strategy.

Most of the changes recommended in this report are based on suggestions put forward by the Council during the Examination in response to points raised by participants. They do not alter the essential thrust of the Council's overall strategy.

1. INTRODUCTION

- 1.1 Under the terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004, the purpose of the independent examination of a development plan document (DPD) is to determine:
- (a) whether it satisfies the requirements of s19 and s24(1) of the 2004 Act, the regulations under s17(7), and any regulations under s36 relating to the preparation of the document
 - (b) whether it is sound.
- 1.2 This report contains my assessment of the *London Borough of Tower Hamlets Core Strategy DPD* in terms of the above matters, along with my recommendations and the reasons for them, as required by s20(7) of the 2004 Act.
- 1.3 I am satisfied that the Core Strategy (CS) meets the requirements of the Act and Regulations. My role is also to consider its soundness against the three criteria of soundness set out in Planning Policy Statement 12: creating strong, safe and prosperous communities through Local Spatial Planning (PPS12) paragraphs 4.51-4.52. In line with national policy, the starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The changes I have specified in this report are made only where there is a clear need to amend the document in the light of the legal requirements and/or the criteria of soundness in PPS12. None of these changes should materially alter the substance of the plan and its policies, or undermine the sustainability appraisal and participatory processes undertaken.

Post Publication Minor Changes

- 1.4 The submission CS was accompanied by a *Matrix of Changes Table* (Core Document 60). Changes in this document correct typographical errors, address points of clarification and deal with factual updates. They do not undermine the sustainability appraisal or the participatory process previously undertaken and they do not affect or change the overall strategy or any policies in the CS. For these reasons I endorse the changes in the *Matrix of Changes Table* and the starting point for the examination is the submitted CS as amended by the matrix.

Organisation of the report

- 1.5 Section 2 of this report considers the legal requirements and Sections 3 and 4 address the main issues and other matters considered during the examination in terms of testing justification, effectiveness and consistency with national policy.

Recommended changes

- 1.6 A number of changes have been suggested by the Council and these are presented, together with changes that I consider

necessary to ensure soundness, in three Annexes attached to this report.

Annex A: Council's changes C1 – C23
Required for soundness

This is a list of changes that the Council has suggested. These changes are taken from the *Matrix of suggested changes* (Core Document 161B) which the Council prepared during the examination and publicised on its website. However not all of the changes suggested in the Council's matrix are required to ensure soundness. Annex A therefore only lists only the Council's suggested changes that are essential for soundness.

Annex B: Inspector's changes IC1 – IC6
Required for soundness

IC1 – IC3 and IC6 all support or expand upon changes that the Council has suggested in **Annex A**. IC4 is based on a statement of common ground between the Council and National Grid. IC5 relates to the placemaking section of the CS.

None of the changes in **Annex A** or **Annex B** undermines the *Sustainability Appraisal* or the participatory process previously undertaken. They do not affect or change the overall strategy or any policies in the CS. They are all addressed in this report.

Annex C: Council's minor amendments
Not required for soundness

This is a schedule of minor changes suggested by the Council or participants during the examination, set out in the *Matrix of Post Submission Changes* (Core Document 161) and published on the Council's website during the examination. These changes are not required to address soundness and are not referred to in this report. They ensure consistency and correct inaccuracies and drafting errors. I endorse them as they add coherence and clarity to the CS and ensure consistency.

- 1.7 A recurrent difficulty in this CS is the reliance on endnotes which refer to evidence base documents to justify the strategy. The endnotes refer to entire documents and in order to fully understand the reasoning and justification for some policies a detailed reading of these documents is required. This has been exacerbated because the "why we have taken this approach" sections, which are intended to justify and explain policies and link them to the supporting evidence, are placed after the policies. Consequently the CS does not flow or unfold in a logical way and is not an easily accessible document. **This has represented a barrier to engagement with the local community.**

- 1.8 In most cases this does not make the CS unsound and justification for all policies can be found in the evidence base. However in several instances the absence of narrative to explain the approach taken is a serious deficiency, with some policies unsupported by reasoning within the CS. Some of the changes that the Council has suggested are required to make the CS a coherent and accessible document and facilitate participation in future DPDs.

2. LEGAL COMPLIANCE

- 2.1 The *Tower Hamlets Core Strategy DPD* is contained within the Council's *Local Development Scheme* the updated version being approved in November 2009. There, it is shown as having a submission date of December 2009.
- 2.2 The Council's *Statement of Community Involvement* (SCI) was adopted in 2008. Following the introduction of the Town and Country (Local Development) (England) (Amendment) Regulations 2008 the Council began a review of the SCI and an amended SCI was adopted in November 2009. The Council's Regulation 30(1) (d) statement explains that engagement and consultation was carried out in accordance with the requirements of the 2008 SCI but taking account of changes in the 2008 Regulations and PPS12.
- 2.3 During the examination some participants were critical of the accessibility of the CS and of the effectiveness of the consultation process. However having considered the SCI and the Council's *Statement of Participation* together with all the points put forward in the examination hearings I am satisfied that the consultation process has been carried out in accordance with the SCI.
- 2.4 Alongside the preparation of the CS it is evident that the Council has carried out a parallel process of sustainability appraisal.
- 2.5 In accordance with the Habitats Directive the CS has been the subject of a screening exercise which concludes that there is no need for an Appropriate Assessment to be undertaken.
- 2.6 I am satisfied that the CS has regard to national policy. In a letter dated 29 October 2009 the Mayor of London has indicated that the CS is in general conformity with the approved *London Plan* and I am satisfied that it is in general conformity. I am satisfied that the CS has had regard to the sustainable community strategy for the area.
- 2.7 I am satisfied that the CS complies with the specific requirements of the 2004 Regulations (as amended) including the requirements in relation to publication of the prescribed documents; availability of them for Inspection and local advertisement; notification of DPD bodies and provision of a list of superseded saved policies.
- 2.8 Accordingly, I am satisfied that the legal requirements have all been satisfied.

3. SOUNDNESS – MAIN ISSUES

- 3.1 PPS12 states that for a Core Strategy to be sound it should be justified, effective and consistent with national policy. Taking account of all the written evidence together with discussions that took place at the examination hearings I have identified nine main issues that require detailed consideration.

Issue 1: Setting the scene and the big spatial vision.

Does the strategic vision address the priorities identified in the Community Plan and embrace the critical issues for the Borough?

- 3.2 The CS vision statement is entitled "Reinventing the Hamlets." Tower Hamlets will play a significant part in developing London as a sustainable, global city but there will also be an emphasis on regeneration and the prosperity of the economic hubs will filter down to the "places" of Tower Hamlets. The five key priority outcomes of the CS flow from the *Community Plan* and the CS sets out five transformational programmes which outline the ways in which the spatial vision will be delivered.
- 3.3 The *Community Plan* identifies a number of challenges faced by the borough in its aim of improving the quality of life for everyone who lives and works in the borough. These include low housing affordability, a legacy of poor quality social housing, stark inequality, with Tower Hamlets the third most deprived borough in the country, ethnic diversity and high unemployment levels. Clearly some policy solutions to these challenges lie outside of spatial planning. However it is clear that the overall strategy is underpinned by regeneration and sustainable growth.
- 3.4 The transformational delivery programmes indicate that regeneration, housing investment and the provision of open space will help to address critical issues identified in the *Community Plan*. It is also evident that many of the strategic objectives (SOs) and policies will play a key role in tackling poverty and inequality.

Does the spatial vision make it clear that the CS will address these issues and deliver regeneration as well as growth?

- 3.5 Community groups have raised concerns that addressing deprivation, diversity and housing need is given insufficient prominence in the spatial vision. There is a perception that it has been given lower priority than driving sub regional growth and delivering the *London Plan* growth agenda and targets. Furthermore there is scepticism about reliance on economic prosperity "filtering down" to benefit the borough's communities.
- 3.6 Thus it seems that the CS is not successful in explaining the context, "telling the story" of how the strategy has emerged and summarising the overall strategy. Some contextual information is

set out in "diverse communities and distinct places" but this does not describe clearly the social and economic challenges facing the area. "Why we have taken this approach" which follows the Vision Statement and which should explain the issues that it will address focuses almost entirely on "place making."

- 3.7 A clear and coherent urban structure can undoubtedly contribute to sustainable growth and regeneration, but an over emphasis on the physical environment has led members of the local community to fear that the social and economic priorities from the *Community Plan* have been overlooked. There is no mention in this section of the regeneration, economic diversification and growth which are key to the vision and strategy.
- 3.8 It is clear from reading the CS and the evidence base that critical issues from the *Community Plan* feed directly into the overall vision. Furthermore the five priority outcomes, especially "Strengthening neighbourhood well being" and "Enabling prosperous communities" are aligned with the themes of the *Community Plan* and the CS strategic objectives provide strong links with its priorities.
- 3.9 To demonstrate that the CS is based on a clear and complete understanding of all the issues facing the borough the Council has suggested that diagrams in *Options and Issues for Places* which show deprivation, ethnicity and demographics and the accompanying text should be inserted into the description of the borough on pages 20 and 21 [C1].

Is the overall strategy the most appropriate given the alternatives?

- 3.10 It is not for a development plan document to set out all the options that have been considered in detail. However the CS gives no indication at all as to how the chosen strategy has emerged. For this it is necessary to look at the evidence base. Early work in *Options and Alternatives 2008* identified two options: refocusing on town centres or organic growth across the borough. The second phase of consultation, *Options and Alternatives for Places 2009*, tested a combined approach with a focus on Town Centres but accepting that there will be organic growth adjacent to the City Fringe and Canary Wharf. This is the approach adopted in the CS.
- 3.11 Clearly the development of the overall strategy has been a complex task. Refocusing on the town centres has had to be balanced with the concentration of development in the *London Plan Opportunity Areas* at Leaside, the Isle of Dogs and the City Fringe, together with areas of regeneration. This is in the context of a shift away from industry to a different range of products and services.
- 3.12 The background evidence does provide an audit trail to demonstrate how and why the preferred strategy was arrived at and demonstrates that this strategy has been developed in parallel with a process of sustainability appraisal. However the evidence base is

extensive, dense and complex and it has been criticised by the local community as being inaccessible. The Council has suggested change C2 to add a summary of how the preferred strategy evolved. This change, which will add clarity and confirm that it is the most appropriate strategy, is required to make the CS sound.

Has the strategy been developed through work with strategic partners and cross boundary working?

3.13 It is clear from the evidence base that the CS has been prepared in partnership with a range of agencies and through working closely with the neighbouring boroughs of Hackney, Newham, Greenwich and the City of London. The delivery partners are not listed in the CS but I am satisfied that they are set out in detail in the *Infrastructure Delivery Plan Final Report (IDPR)*.

3.14 In conclusion, I am satisfied that the overall spatial vision is justified by robust evidence and is the most appropriate given the reasonable alternatives. To make the CS sound changes C1 and C2 are necessary to ensure clarity and internal consistency. These changes are summarised below and set out in full in Annex A.

C1	Insert diagrams and text from evidence base to expand on "Setting the Scene"
C2	Insert additional text to explain how the preferred approach for the overarching strategy was developed

Issue 2: Refocusing the town centres.

Is the approach to refocusing the town centres justified by robust evidence?

3.15 Policy SP01 defines the town centre hierarchy and how the network of town centres will be extended to achieve strategic objective SO4, a hierarchy of interconnected, vibrant and inclusive town centres. It describes the relationship between the scale and type of uses and explains the scale and role of the town centres.

3.16 The Council has undertaken detailed research into the uses, accessibility and urban design of the borough's town centres in the *Borough Portrait of Tower Hamlets*, the *Retail and Leisure Capacity Study* and the *Spatial Baseline Studies*. These studies feed into the *Town Centre Spatial Strategy (TCSS)*. I am satisfied that the methodology used in this research is robust and its scope is comprehensive. It has informed an up to date picture of the borough's town centres and proposes an effective strategy to 2025.

3.17 The TCSS sets out the existing and proposed hierarchies and the designation criteria on which the new hierarchy is based. It identifies a new policy mechanism for "Activity Areas" at City Fringe and Canary Wharf which will differ from but compliment the London Plan Central Activities Zone (CAZ). It also identifies new District

Centres at Bromley-by-Bow and Brick Lane and a range of new Neighbourhood Centres. The new hierarchy of town centres is set alongside the existing hierarchy in Appendix 4 of the CS.

- 3.18 The CS is informed by the TCSS and its supporting documents. The new designations recommended in the TCSS are put forward in Policy SP01 and the net increase in comparison and convenience retail floorspace, for which the *Retail and Leisure Capacity Study* identified a potential, is directed to town centres as recommended in the TCSS. Policy SO1 does not make it clear that the town centre hierarchy aligns with the *London Plan* and does not explain the identification of the two Activity Areas. The Council has suggested changes to address these matters [C3], [C4] and I agree that these changes are necessary to ensure that the CS is justified and effective.
- 3.19 There is little explanation for the approach taken to refocusing on the town centres and the CS relies on broad references to the TCSS for the reasoning behind the choices that have been made. Rather than providing clear links to the evidence that has informed Policy SP01, figures 17 – 20 of the CS are generic, theoretical diagrams imported from the baseline studies.
- 3.20 I recognise that diagrams can be helpful in explaining the relationship between, for example, urban form and accessibility. But taken out of context these diagrams do not explain the reasoning set out in the TCSS. Furthermore despite attempts in Figure 18 to give local examples of spatial layout types these diagrams are not locally distinctive. Their inclusion does not make the CS unsound but at the examination hearings the local community was very critical of them, finding them unhelpful and irrelevant. It is certainly hard to see how they inform the adjacent policy SP01. In order to make the CS a more accessible document that will encourage participation the Council may wish to consider removing Figures 17 – 20 when the CS is reviewed.
- 3.21 The TCSS recommends undertaking a review of the town centre and activity area boundaries which will be dealt with in lower level DPDs and the Proposals Map. However this intention is not carried through into the CS, where there should be an explanation of how detailed policies for the town centres will be progressed. Change C5 sets out the Council's additional wording to address this matter.

Is the approach to development at the edge of and outside town centres consistent with government guidance in PPS4?

- 3.22 Strategic objectives SO5 and SO6 promote mixed use on the edge of centres and along main streets and areas outside town centres for residential and supporting uses. This approach, set out in Policy SP01.5 is clear and consistent with guidance in PPS4 which, whilst in draft during preparation of the CS, was published during the examination. I am satisfied that it provides a hook for more

detailed policies on small scale uses and provision for day to day shopping to be provided in forthcoming DPDs.

- 3.23 Subject to the changes summarised below and set out in full in Annex A, which are necessary to ensure soundness, the CS approach to refocusing on the town centres is consistent with national and regional guidance, justified by robust evidence and capable of delivery.

C3	Explain the basis for the town centre hierarchy
C4	Explain reason for identifying Tower Hamlets Activity Areas
C5	Explain that the town centre hierarchy will be carried forward in lower level DPDs

Issue 3: Housing supply.

Is the approach to the delivery and location of housing justified and consistent with national planning policy and with the London Plan?

- 3.24 The CS sets out a target of 43,275 new homes for the plan period from 2010 to 2025, equating to 2885 homes per year. This figure is consistent with the borough's housing target in the emerging replacement *London Plan (2009)*, which is in turn informed by the *London Strategic Housing Land Availability Assessment 2009* (London SHLAA). The housing trajectory is presented as a table in Appendix 2 of the CS. It demonstrates when and where homes will be delivered over the three five year periods to 2025 and is accompanied by detailed information to indicate the timing of delivery in the paired Local Area Partnership areas (LAPs).
- 3.25 The CS housing trajectory is informed by evidence in the *Planning for Population Change and Growth* (PPCG) model. This monitoring and management tool is led by the Local Strategic Partnership. As a live model it enables population change and growth to be monitored to inform infrastructure planning and is based on the expected development of sites with planning permission and potential sites. The evidence base demonstrates that the PPCG model is based on a local understanding and rigorous examination of sites that are capable of coming forward.
- 3.26 The *PPCG Baseline Report* (PPCG Report) sets out key findings from the borough's capacity assessment exercise that was undertaken in July 2009. The PPCG model has enabled the Council to predict with some accuracy the scale and pattern of housing development across the borough. Potential development sites have been identified in accordance with the government's SHLAA process and the suitability, availability and deliverability of the sites has been tested. Although there are some variations between the inputs to the London SHLAA and PPCG model, the housing outputs are closely aligned. I am satisfied that the housing trajectory is based on an up to date and realistic understanding of identified sites in the borough.

- 3.27 Raw data from the PPCG model shows that sites with planning permission will provide the majority of the housing for the first five years of the plan period and will continue to contribute to the supply throughout the plan period. The model indicates that 13,914 homes will be developed in the first five years of the plan period, a shortfall of 511 homes on the draft *London Plan* target. This represents 102/3 homes per annum.
- 3.28 The Council contends that this shortfall will be more than made up by homes provided on sites of 9 or less units, which are excluded from the model and from the London SHLAA. Historic evidence for the last 5 years shows that an annual average of 151 units has been delivered on sites providing 9 or less units and it would be reasonable, in the context of an inner city borough, to assume that this rate would continue. However PPS3 states that unidentified sites such as this should not be included in the first 10 years of land supply unless there is robust evidence of local circumstances to prevent specific sites being identified.
- 3.29 The housing trajectory indicates that sites with planning permission carry through into second and third five year periods of the plan. Figure 23, placed adjacent to Policy SP02, illustrates the permitted and potential amount of housing development each year set against the emerging *London Plan* target. This shows the high level of activity in years 6 – 11 with a total of 21,442 homes coming forward in this five year period. The bulge in the middle part of the plan period relates to the timing of the release of industrial land and the interdependence between regeneration and growth, which is evident from the CS transformational delivery programmes.
- 3.30 The comprehensive regeneration areas and housing investment and delivery programme include, for example, the *Ocean Estate Regeneration Programme*, which is expected to deliver over 900 units in 2017, and the *Fish Island Area Action Plan*. This DPD, programmed for adoption in 2011, will provide the strategy for mixed use development that is expected to deliver over 2,000 units in Fish Island North and East in 2017.
- 3.31 The supply of housing land in Tower Hamlets is inextricably linked to regeneration, the managed release of industrial land and projects which are to be delivered in partnership with other bodies such as Thames Gateway Development Corporation and other London Boroughs. This leads me to conclude that there are genuine local circumstances that determine the rate of housing land supply and prevent specific sites being identified to deliver the required target for years 1 – 5 of the plan period. On this basis I am satisfied that the reliance on some windfalls for this period and the overall approach to the supply and delivery of housing land is sound.
- 3.32 The map of the borough in CS Figure 21 illustrates the differing rates of growth across the borough and Appendix 2 plots in more

detail how this growth will occur in each of the borough's hamlets in each of the three five year periods covered by the strategy. This provides a very useful indication of where and when high growth will take place. It reflects the areas for greatest regeneration and the *London Plan* Opportunity Areas. The Council has indicated that the target bands in Figure 21 require amendment to ensure accuracy and I support this change [C6].

- 3.33 Figure 21 shows that growth will take place predominantly in the eastern part of the borough where it is focussed on the Lower Lea Valley and Isle of Dogs Opportunity Areas. It was confirmed at the examination hearings that the lower level of housing growth in the central parts of the borough is indicative of the limited availability of land.
- 3.34 In conclusion I am satisfied that subject to change C6 to ensure accuracy the CS approach to the supply and location of housing is justified and deliverable.

C6	Amend housing target bands to ensure accuracy
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Issue 4: Providing for a mix of housing type and tenure, specialist housing needs and housing quality.

Are the targets for affordable homes underpinned by a robust assessment of affordable housing economic viability?

- 3.35 Policy SP02 sets an overall target of 50% for affordable homes throughout the borough. This reflects the borough's annual affordable need shortfall of 2,700 identified in the *Strategic Housing Market and Needs Assessment 2009* (SHMNA) and the level of over occupation which at 16.4% is a great deal higher than the national average of 2.7% of all units. It carries forward the *Community Plan* priority of delivering a range of affordable, family homes for local people and is supported by data in the *Annual Monitoring Report* which identified that the gross affordable homes delivered in 2008/9 were 52% of total homes completed.
- 3.36 Policy SP02 requires 35% - 50% affordable homes on all sites providing 10 new residential units or more, subject to viability. This is in line with emerging *London Plan* policies on affordable housing. The SHMNA notes that the current 50% target has rarely been achieved across London but recognises that it may be achieved with major grant support on some sites.
- 3.37 The Council's *Affordable Housing Viability Study 2009* (AHVS) tested a range of sample sites across the borough with varying characteristics against varying affordable housing percentages, tenure splits and sales values. It took account of current market conditions, future market uncertainty and considered the effect of a range of projected sales values on affordable housing viability. It also took account of potential conflict between existing and

alternative use values in high value parts of the borough and was based on the *London Plan* threshold of 10 units.

- 3.38 The study concluded that the delivery of the upper end of the required range, 50% affordable housing, is an ambitious target that many of the sites coming forward will be unable to achieve without grants or funding. Historically sites in the borough have yielded 35% and it is clear that achieving the lower end of the range is realistic. The proposed range reflects a pragmatic balance between viability, the significant local need for affordable housing identified in the *Community Plan* and the SHMNA and consistency with the emerging *London Plan*.
- 3.39 Concerns have been raised that the targets would not be achievable when replacing existing affordable homes. However it would be appropriate for the test of viability to be applied in such cases. As recommended in the AHVS Policy SP02 is supported by a requirement for detailed and robust financial statements to demonstrate why the targets cannot be met. I consider that with this flexibility incorporated into the policy the proposed target range is justified.

Is the tenure split for affordable housing locally justified?

- 3.40 The CS reflects the tenure split for affordable housing in the adopted *London Plan*, with a requirement for 70% social rented and 30% intermediate housing. This target is supported by evidence in the SHMNA, which draws attention to the existing social stock scale and re-let levels and the problem of affordability of shared ownership for local households forming in Tower Hamlets.
- 3.41 The proposed target differs from the emerging *London Plan* which proposes a London wide target of 40% intermediate housing. However I am satisfied that there is sufficient local justification in the SHMNA and the *Tower Hamlets Housing Strategy 2009/12* (THHS) to maintain the higher level of social rented housing proposed in the CS.

Are the targets for family housing justified?

- 3.42 Policy SP02 sets an overall target of 30% of all new housing to be suitable for families (3 beds plus) with 45% of new social rented housing for families. This aligns with the *Community Plan* priority of delivering social and family housing above all other forms of housing and is supported by evidence in the THHS and the SHMNA. The latter identifies a very high level of flats and maisonettes in the borough and recommends that the CS should direct both market and affordable housing to address the impact of future demographic change and household formation change and the needs of larger families.

3.43 The SHMNA provides the base figures from which the targets in SP02 are derived and I am satisfied that these figures are justified by the evidence base. However SP02.5.c, which refers to the identification of locations where larger family housing (of four bed plus) will be sought, omits to refer to the vehicle through which such locations will be identified. To ensure that this part of the policy is effective the Council has suggested appropriate wording to confirm that identification of locations will be dealt with in the *Site and Placemaking DPD* and the *Development Management DPD* [C7].

Is the approach to student housing justified?

3.44 Policy SP02 (7) proposes to provide student accommodation through working with the borough's universities and focusing on locations with high accessibility and proximity to the universities. *Student Accommodation in Tower Hamlets 2009* provides the background information that feeds into this policy and notes that provision of student housing needs to be balanced with competing land needs, including other housing priorities such as affordable housing. In this context I consider that the broad intentions set out in Policy SP02 are appropriate to guide the provision of housing for this specialist group.

Does the CS make appropriate provision for gypsy and traveller pitches?

3.45 The borough has one Gypsy and Traveller site at Eleanor Road. Policy SP02 sets out the requirement to safeguard this site and to identify new sites to meet targets in *London Plan* though the *Site and Placemaking DPD*. The criteria which sites should meet are defined in the evidence base in *LBTH Gypsies and Travellers: Criteria for additional sites in Tower Hamlets (2009)* and are set out in the CS. I am satisfied that this part of the policy is clear, is supported by robust evidence and meets national and regional guidance and targets.

Does the CS make it clear that requirements for design standards will be implemented?

3.46 Part 6 of Policy SP02 lists a range of criteria to ensure that all housing is "appropriate, high quality, well-designed and sustainable". In order to ensure that this part of the policy is effective, clear reference should be added to refer to the relevant DPD's which will implement the criteria [C8].

3.47 Subject to changes C7 and C8, to confirm the delegation of detailed matters to lower level DPDs, I am satisfied that the CS is justified and effective in its approach to delivering a mix of housing type and tenure and housing design.

C7	Explain how locations for seeking larger family houses will be identified
C8	Identify the policy vehicle for achieving design standards

Issue 5: Successful employment hubs.

Does the CS provide for a range of employment sizes and types?

- 3.48 Strategic objectives SO15 and SO16 set the overall objectives to support the global economic centres of Canary Wharf and the City Fringe whilst supporting the growth of existing and future businesses in accessible and appropriate locations. The 2009 *Employment Land Study* (ELS) identifies the need to plan for a net increase in office floorspace. The ELS demand forecasting exercise calculates a demand for between 685,000 and 905,000 square metres of office floor space to 2026. It anticipates that 70% of this additional demand is likely to be accommodated in Canary Wharf, 25% in the City Fringe and 5% in the "Local" office market.
- 3.49 Policy SP06 reflects these findings. It directs intensification of office floorspace and larger floor plate offices towards Preferred Office Locations (POLs) in Canary Wharf and the City Fringe areas of Bishopsgate Road, Aldgate and Tower Gateway. The POLs are indicated on CS Figure 30 as irregular shapes, suggesting that their exact boundaries have been decided. However this is not the case and the Council will define and designate the POLs in the *Site and Placemaking DPD* and the *Development Management DPD*. To avoid the impression that these designations have already been made the Council suggests amending Figure 30 to show that the POL locations are indicative [C8A]. To ensure that the CS is sound this should be supported by additional text in Policy SP06.2 to explain that the POL areas will be defined in future DPDs [IC1].
- 3.50 The CS supports a range and mix of employment uses through the designation of Local Office Locations (LOLs), the retention and promotion of flexible workspace and the encouragement and retention of small units of less than 250 sq m suitable for small and medium enterprises. The Council intends to designate and define the LOLs through the *Site and Placemaking DPD* and to ensure soundness this should be clearly stated in the policy [IC2].

Does the CS place sufficient emphasis on micro businesses and their role in addressing the employment needs of the local community, particularly the Black and Ethnic Minority sector?

- 3.51 Concerns were raised during the examination that continued growth in the POLs will be at the expense of smaller businesses and that the role of micro businesses in providing jobs for local people is not recognised in the CS. The POLs will clearly continue to provide a range of jobs for local residents as well as opportunities for suppliers within the borough. However the need to ensure a range of different sized businesses within the borough is supported by the *Small and Medium Office and Workspace Study* (SMOWS), which found in 2006 that 19,000 of the 38,000 jobs in Tower Hamlets were within Small and Medium Sized Enterprises (SMEs).

- 3.52 The SMOWS, whilst including micro businesses within the overall SME definition, further defines them as start up businesses and those employing less than five or so people. However the CS does not distinguish micro businesses from SMEs, which are defined in the CS glossary as businesses with less than 250 employees (medium) and less than 50 employees (small).
- 3.53 In considering SMEs and diversity the SMOWS identified that 25% of businesses in London with less than 5 employees were Black and Minority Ethnic (BME) owned and that around 53% of BME owned enterprises employ less than 5 people. This link between micro businesses and BME community is reflected in the SMOWS conclusion that access to good quality, affordable space for small businesses employing less than five people is important to sustain the BME sector in Tower Hamlets. Whilst based on data collated in 2006 this link is recognised in the more recent *Equality Impact Assessment of the CS* (EIA), which identifies the likely effects of the policy on minority owned businesses.
- 3.54 The evidence base demonstrates that micro businesses will play an important role in providing a range of businesses of different sizes in the borough and addressing the *Community Plan* priority of reducing worklessness, particularly for the BME community. Policy SP06.3 sets out a clear direction for delivering a range and mix of employment uses throughout the borough and will encourage and retain units suitable for small and medium enterprises. I am satisfied, from the approach taken in the SMOWS, that the CS definition of small and medium sized enterprises includes micro businesses. The Council has suggested changes to the wording of Policy SP06 to refer specifically to micro businesses, but a minor amendment to the glossary is all that is needed to ensure clarity and make the CS sound [IC3].

C8A	Amend figure 30 to clarify that POLs are indicative only
IC1	Confirm vehicle for designating POLs
IC2	Confirm vehicle for designating LOLs
IC3	Confirm that SME definition includes micro businesses

Issue 6: Strategic Industrial Land (SIL).

Is the proposed release of SIL justified by evidence in the Employment Land Study (ELS)?

- 3.55 The CS records that since 1998 between 130 hectares and 140 hectares of industrial land has been released for other uses, contributing to regeneration in the east of the borough. The decline of industrial employment leads to a recommendation in the ELS that the CS should plan for a further release of between 20 and 50 hectares of industrial employment land over the plan period. Policy SO6 proposes a managed approach to industrial land, safeguarding and intensifying its use in the SILs and Local Industrial Locations (LILs) identified in the ELS and setting out criteria for intensification

through mixed use in some of the LILs. It also proposes partnership working to coordinate the release of SIL at Fish Island North and Fish Island Mid.

- 3.56 The ELS identifies that existing industrial uses at Fish Island North sit uncomfortably with adjacent emerging land uses in the regeneration area at Stratford City and the Olympic Park. It identifies scope for a reduction of B2 (general industrial) and growth of B1 uses as part of an Industrial Business Park. The strategy for releasing SIL at Fish Island is set out in *Fish Island: A Rationale for Regeneration 2009*. The managed and phased release proposed in Policy CP06 is in conformity with the *London Plan*.
- 3.57 Work on the boundaries between the sub areas of Fish Island and the exact amount and location of SIL release will need to be considered together with regeneration aspirations for the wider area. This exercise is being carried out through the *Olympic Legacy Strategic Planning Guidance* and the emerging *Fish Island Area Action Plan (AAP)* and these two delivery mechanisms will set out the exact location of SIL release.
- 3.58 Concerns have been raised that the masterplan framework is progressing slowly and that a firm commitment in the CS to release SIL, not conditional upon a future DPD, is needed to provide clarity and investor confidence and address decline and policy stagnation. However it is clear that work is ongoing on both the *Olympic Legacy Strategic Planning Guidance* and the *Fish Island AAP*, which is included in the LDS as due for adoption in 2011. I am satisfied that through SP06 and the *Fish Island AAP*, which is recognised in the Infrastructure Delivery Plan as a critical priority, the CS provides a clear framework and timescale for the release of SIL at Fish Island.
- 3.59 Fish Island South is sufficiently distant from the Olympic Park to avoid having an impact on the proposed uses there. It has good access and is located away from residential areas. Consequently the ELS recommends that Fish Island South should be retained, enhanced and promoted as SIL, with industrial uses consolidated and relocated from Fish Island North where appropriate. I recognise that there are some non industrial uses in Fish Island South, such as live work units, some B1 uses and a training centre with student accommodation. However I do not consider that the presence of these uses outweighs the clear strategic direction that the evidence base provides. I am therefore satisfied that the CS takes an appropriate approach to the managed release of SIL that is consistent with national guidance and justified by robust and up to date evidence.

Issue 7: Provision of public open space.

Does the CS address effectively the existing deficiency and declining provision of accessible public open space in the borough?

- 3.60 Providing access to nature and open space is one of the key principles of the *Community Plan* and one of the borough's major challenges, with impacts on health, quality of life and biodiversity. The Council's *Open Spaces Strategy 2006 – 2016* (OSS) identifies deficiencies in access to publicly accessible open space and sets out a development standard of 1.2 hectares per 1,000 of population. Annual monitoring reports over the past 5 years indicate that this has not been achieved, with provision of 1.14 per hectare achieved in 2007/8 and 1.12 per hectare in 2008/9.
- 3.61 This evidence of deficiency and declining provision and the physical constraints of a densely developed urban area, where further growth is planned, raise the question of whether the 2006 open space standard can ever be achieved. The Council acknowledges that the OSS is out of date and thus relies on the IDP Report to provide an up to date picture of the borough's open spaces.
- 3.62 The IDP Report provides a fine grain of information on current open space levels based on paired LAP areas. It uses the PPCG model to calculate an overall requirement of 99 hectares which is set out in the CS. The report acknowledges that achieving the quantitative requirement for open space is neither feasible nor practical. The CS therefore takes a pragmatic approach based on "Protect, Create, Enhance and Connect" with the 1.2 hectares per 1,000 as a monitoring standard.
- 3.63 CS Policy SP04 lists projects in the OSS which the PPCG model identifies as being required to support the scale of development in the borough to 2025. The IDP (in Appendix 2 of the CS) sets out timescales for these projects and recognises that their non delivery would have an impact on growth targets and trigger a review of the programme. Policy SP04 also refers to strategic projects which are outside the control of the Council, such as Lea River Park, FAT walk and Olympic Park. These projects, together with their delivery teams and timescales, are also listed in the *Programmes of Delivery* in CS Appendix 2.
- 3.64 Enhancing existing public open spaces and improving accessibility is also addressed in Policy SP04, with individual projects detailed in Appendix 2. A reference to improving access to Metropolitan Open Land needs to be added to ensure consistency with the *London Plan* and to present a complete picture of the strategically important open spaces available to residents of the borough [C9]. The Council's *Green Grid Strategy*, also listed in the *Programmes of Delivery*, takes a management approach to addressing the questions of deficiency and access to open spaces and to create a network of green walking routes to connect open spaces and waterways throughout the borough. This is at an early stage, with only a draft baseline report available to support the CS. However it is included in the *Delivery Programmes* as a key programme and will be taken forward through lower level DPDs.

- 3.65 I have considered the suggestion that additional references should be made to Lee Valley Park to highlight the contributions it will make to strengthening neighbourhood well being and enhancing biodiversity. However I do not consider that the absence of these references makes the CS unsound.
- 3.66 Subject to a minor correction to include reference to Metropolitan Open Land to ensure soundness I am satisfied that the CS takes a realistic approach to providing accessible open space which is justified by detailed research and can be implemented in co-ordination with delivery partners.

C9	Include reference Metropolitan Open Land
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Issue 8: Infrastructure, delivery and monitoring.

Is there a clear strategy for delivering the key infrastructure requirements?

- 3.67 The CS places the *Programme of Delivery* at the beginning of the document, following on from the *Vision Statement and Key Principles*. This demonstrates recognition of the essential role that delivery and implementation will play in achieving the CS vision. However there is a confusing relationship between the five programmes in the *Programme of Delivery* and the IDP which is one of these programmes and is set out in detail at the end of the CS (Appendix 2). Furthermore the listing of some, but not all of the projects for each programme early in the CS is imprecise and inconsistent. Changes are needed to provide an accurate and internally consistent summary of the delivery programmes, the projects within them and by whom and when they will be delivered.
- 3.68 The Council has suggested changes to the way in which this information is presented. The *Programme of Delivery* adjacent to the vision statement will be amended to simply summarise the five delivery programmes [C10]. All of the programmes, their projects, key partners and timescale, will be set out in detail in Appendix 2 [C11] under the heading *Programme of Delivery*. The IDP will therefore become one of the five programmes set out in Appendix 2. However it will retain a greater level of detail than the other programmes, including costings, links to policy and risks/contingencies as in existing Appendix 2. These changes are necessary to ensure that the way in which the CS will be delivered is set out in a coherent and consistent way.
- 3.69 The delivery programme is informed by the PPCG Report, which identifies where new social infrastructure will be required to support growth and from the IDP Report which is a supporting document to the CS. The higher density option of the PPCG model, which is required to meet the housing target, is the base on which both reports identify future demand.

- 3.70 The IDP Report, dated September 2009, takes a methodical approach, addressing the questions of why, what, how, where and when for each piece of infrastructure required to deliver the CS. It has a corporate role, supporting and informing other borough strategies and decisions relating to the distribution of funding. Its governance arrangements, which include strategic partners, give it a high level role as a project planning tool. The Council intends to update the IDP annually alongside the AMR.
- 3.71 The IDP, set out in Appendix 2 of the CS, identifies the key pieces of infrastructure needed to support the CS. It categorises each project as critical, necessary or preferred and this informs the identification of risks and contingencies for each project. It identifies those areas where a failure to deliver or delay will trigger a review of the plan. Clearly the annual review of the IDP will provide a sensitive monitoring vehicle, enabling problems with funding, delays or the need for acceleration to be identified at a sufficiently early stage to manage delivery of the CS effectively.
- 3.72 In most cases the location and phasing or timing for each project is set out in the IDP. However some items such as the provision of health care schemes and idea stores have broad timescales or grouped provision and rely on the IDP Report to provide detailed information about phasing. I consider this is appropriate, keeping the IDP in the CS as a concise summary which is supported by more detailed information in the IDP Report which can be kept up to date by annual review.
- 3.73 In general the CS identifies broad areas for development and delegates the allocation of sites to lower level DPD's. However in some cases it is evident that particular sites will be necessary to deliver a particular element of infrastructure. It has been demonstrated that reliance on the Leven Road Gasworks to deliver a new primary school by 2017 and open space from 2010 - 2015 is unrealistic as the site will not be available in time to meet these timescales.
- 3.74 The Council has agreed that the IDP should be amended to reflect a realistic timescale and ensure soundness in this area, changing delivery of the primary school to 2020 and open space from 2015 - 2020 [IC4]. The risks/ contingency column of the IDP highlights that later provision of these facilities at Leven Road will lead to a requirement to review the programme of housing growth in this area. This is an area where a high level of housing growth is anticipated in the second five year period of the plan. In these circumstances I am satisfied that there is sufficient flexibility to address any necessary adjustment to the rate and location of growth in this particular area without undermining the overall rate of housing delivery in the second five year period of the plan.
- 3.75 The CS indicates that an SPD will outline the approach to securing developer contributions which it states will be pooled to meet

significant infrastructure requirements. The IDP and the IDP Report set out detailed and comprehensive information regarding the nature and location of the major infrastructure needed to support the planned growth in different parts of the borough. In this context I am satisfied that the methodology for securing pooled infrastructure can appropriately be dealt with in a future SPD. However in response to the CIL regulations the Council has suggested changes to the "Delivery and Implementation" section of the CS to include a policy hook to allow the option of applying the CIL charging schedule [C13/C14]. These changes will allow the Council flexibility to consider the most effective way to manage the pooling of developer contributions.

Does the CS set out clear targets and measurable outcomes for monitoring the delivery of the strategy?

- 3.76 The Monitoring Framework, set out in Appendix 3, is based on the strategy's 25 strategic objectives (SOs) which the CS policies will deliver. For each SO it sets out Core Output Indicators, Local Output Indicators or Significant Effect Indicators as appropriate and measurable outcomes. Subject to replacing references to N/A with "monitor trend" [C12] to ensure that all outcomes can be monitored I am satisfied that the monitoring framework is based on clear and measurable targets which relate to the delivery of the CS Policies.
- 3.77 Subject to changes C10 – C14 and IC4, which are required to ensure soundness, I am satisfied that the Programmes of Delivery and in particular the IDP identify the key infrastructure projects that are necessary to deliver the CS policies. They provide a clear and realistic framework setting out the responsibilities, funding sources, timing and critical dependencies for each project. The monitoring framework in Appendix 3 of the CS provides structured framework which will enable the progress of the spatial strategy to be monitored.

C10	Simplify list of delivery programmes to ensure consistency
C11	Extend Appendix 2 to include all programmes for delivery
C12	Add monitoring trend as a target for outcomes with no numerical target
C13	Add reference to CIL
C14	Add reference to CIL
IC4	Amend timescale for infrastructure dependant on Leven Road Gasworks site

Issue 9: Delivering placemaking.

Does the inclusion of a vision diagram and opportunities, priorities and principles for each of the borough's "places" contribute to the effectiveness of the CS?

- 3.78 Policy SP12 draws together the main themes of the CS that will contribute to improving the quality of the built and natural environment. It is effectively a summary which repeats the content of other policies. The adjacent Figure 36 sets out a strategic vision with a short statement for each of the borough's hamlets. This is a succinct, focused way of capturing the essential issues for each hamlet and it makes a useful contribution to the CS.
- 3.79 The pages that follow SP12 set out the vision, priorities and principles for each hamlet. Whilst PPS12 requires core strategies to set out the local challenges and opportunities for the future of its places, taking the strategy to a finer level of detail requires accuracy, consistency and completeness. I recognise that the Council has sought to be selective of what is important to each place. However this section of the CS raises more questions than it answers. Inaccuracies and inconsistencies in the level of detail provided and the decision to capture some but not all of the spatial issues from the overall strategy is not clearly explained or justified.
- 3.80 I set out below some examples of areas of concern:
- The diagrams for Millwall, Cubitt Town and other growth areas **do not acknowledge the high levels of planned growth** that are so well illustrated on Figure 23. Failure to reconcile this most significant change with the urban design and connectivity aspirations shown on diagrams 59 and 60, for example, means that this part of the CS does not address spatial planning in its true sense. Furthermore it results in a "mixed message" which leaves members of the local community uncertain about the intentions for their areas.
 - Town centres are recognised on the "place" diagrams, but absence of detail about the type of centre leaves **unanswered questions regarding the type and scale of commercial development planned**. For example neither the priorities nor the vision diagram (Fig 39) for Bethnal Green reflect its inclusion in Policy SP01.4 as one of the district town centres to which 16,600 square metres of comparison floorspace will be directed. This has leaves local residents feeling inadequately informed and anxious about the level of retail floorspace likely to take place in their areas.
 - The POL designations are shown on some of the vision diagrams, such as Aldgate (Figure 42) but not on others such as Canary Wharf (Figure 58) and there is no mention of the POL designation in the vision, priorities or principles for Canary Wharf. The City Fringe is not overlaid on the vision diagram for the "places" in the east of the borough or referred to in the priorities. This **failure to represent key spatial planning tools** on the diagrams contrasts with the decision to drill down in great detail, to specific street level, in some areas.

Developers participating in the examination expressed frustration at this lack of clarity and consistency.

- Policy SP01 describes the Tower Hamlets Activity Areas as requiring a distinctive policy response due to their location, characteristics, mix of uses and accessibility. This suggests they will have a key influence over the way in which hamlets such as Spitalfields or Aldgate will develop. However these **important designations are not acknowledged** on the vision diagrams, priorities or principles for these places.
- **Boundaries between the places diagrams are inconsistent.** For example diagrammatic links/ routes and green corridors do not connect on diagrams for adjacent places. Examples include Bow/ Victoria Park, Poplar/Poplar Riverside, Mile End/Bow Common and Bromley-by-Bow/ Bow Common. The interface between the vision diagrams for the adjoining places of Millwall and Cubitt Town is unclear. These matters are not crucial to the information that the diagrams seek to convey, but they raise local concerns and questions about the accuracy and utility of all of the vision diagrams.
- **Lack of sensitivity to local concerns** undermines the credibility of the vision diagrams. For example it was highlighted at the examination hearings that the new shopping centre indicated at Mile End (Figure 51) incorporates residential areas and listed terraced houses.
- **Inconsistencies between the vision diagrams** and text lead to confusion and leave the reader unsure about priorities. For example Figure 38 (Spitalfields) identifies "Regeneration of Bishopsgate Goods Yard" and the Bishopsgate Masterplan is identified as a critical priority in the IDP. However there is no reference to this in the vision, opportunities, priorities or principles for Spitalfields.
- In some cases text on the vision diagrams, for example the new green space referred to at Bromley by Bow (Figure 52) does not make it clear where aspirations are part of **wider comprehensive redevelopment schemes.**

3.81 The Council has suggested extensive changes to this section of the CS to deal with inaccuracies and inconsistencies identified during the examination. However these changes relate to just 6 of the borough's 24 hamlets and would only deal with matters raised at the examination by local residents, landowners and developers. Further work is required to ensure that there are no deficiencies in the placemaking pages for the remaining 18 hamlets.

3.82 Attempting to change the CS at this stage, as suggested by the Council, would be therefore be inequitable and would result in an uneven spread of detail and accuracy through the placemaking

pages. In their current form these pages provide a useful basis for work on lower level DPDs and SPDs. However a considerable amount of further work, including further engagement with the local community, is required to ensure that they are an effective spatial planning tool which will help deliver the overall strategy.

- 3.83 The Council has confirmed that the vision diagrams are not intended as site specific, detailed or technical drawings. To reflect this and to indicate that the placemaking pages complement rather than form an integral part of the strategy, I recommend that they are placed in an annex to the CS.

IC5	Place pages 90 – 114 of the CS in an Annex.
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4. CONSIDERATION OF OTHER MATTERS RELATING TO SOUNDNESS

- 4.1 **Flood risk.** The Council has carried out a *Strategic Flood Risk Assessment* (SFRA) which identifies the parts of the borough that are at risk of flooding. This includes some of the Opportunity Areas where development will be focused, particularly to the east of the borough. Leaside lies within flood zones 2 and 3 and the entire Isle of Dogs is in flood zone 3. To the west of the borough the southern part of the City Fringe lies within flood zones 2 and 3. The main risks to these areas are from fluvial flooding from the River Lea, tidal surge breaches of the Thames Tidal Defences and surface water flooding from impermeable surfaces.
- 4.2 Strategic Objective SO13 sets out the objective of reducing the risk and impact of flooding and the SFRA has informed a *General Sequential Test* which provides a basis for sequential and if necessary exceptions testing to inform the allocation of individual sites. Policy SP04 indicates how the sequential test will be used to determine the suitability of land for development. In the justification of the policy in “Why we have taken this approach” paragraph 4.20 needs to be amended to include an explanation of how the SFRA has informed the policy.

C15	Explain the way in which the SFRA has informed the strategy
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- 4.3 **Waste:** The borough operates as a single waste disposal authority and this is reflected in the CS. It is proposed to safeguard all existing waste management sites unless they can be replaced by more sustainable alternative sites which maintain capacity. In addition, informed by the *Waste Evidence Base Report* (WEB), the CS identifies a need for a land area of between 5 – 10 hectares to accommodate house waste facilities with sufficient capacity to meet *London Plan* targets for managing waste. Policy SP05 identifies 4 areas of search for new waste treatment facilities. These areas flow from the short list of suitable sites identified in the WEB report, where sufficient land is identified to allow flexibility in the case of some of the sites not coming forward. The timescale for delivery is

included in the IDP. On this basis I am satisfied that there is robust evidence to demonstrate that there is sufficient land to meet the *London Plan* targets during the plan period.

- 4.4 **Working towards a zero carbon borough** sets out the objective (SO24) of achieving a 60% reduction in carbon emissions by 2025. Policy SP11 sets out goals which are consistent with national guidance and the *London Plan* and provides a hook for more detailed guidance in lower level DPDs. I consider that these goals are justified in the *Climate Change and Mitigation Evidence Base* and the final report of *Sustainable Energy and Biodiversity Enhancement Opportunities in LBTH*. To ensure that the CS is sound minor changes are needed to allow for feasibility to be taken into account when considering requirements for on site renewable energy generation [C16], to ensure that the area based approach to carbon reduction is explained [C17] and to define Energy Opportunity Areas [C18].

C16	Add feasibility test to ensure flexibility and consistency with London Plan
C17	Explain area based approach to carbon emissions
C18	Define Energy Opportunity Areas

- 4.5 **Creating distinct and durable places** sets out in Policy SP10 the CS priorities for managing the historic environment and promoting a high standard of design. It includes the requirement for strategic and local views to be protected but there is no explanation of these designations and they are not identified on the accompanying Figure 34. To ensure effectiveness the "Why we have taken this approach" section which follows SP10 should explain that strategic views are designated in the *London Plan* and that local views will be defined and designated in forthcoming DPDs [C19].

- 4.6 Figure 34 includes shaded areas which refer to "areas of priority....." and "areas of established character and townscape." It is clear that these broad areas flow from the *Urban Structure and Characterisation Study (USCS)* and conservation area studies and appraisals. The Council has explained that they will be used to inform conservation of existing character in some areas and improvements to character and distinctiveness in others. However with no reference to this in the policy or the accompanying text they have no meaning. The Council has suggested additional wording which will explain their purpose [C20]. However to ensure that the CS is effective further explanation is needed to describe how these areas will be taken forward [IC6]. Both of these changes are required to ensure soundness.

C19	Confirm consistency of approach to strategic and local views with London Plan and explain vehicle for identification of views
C20	Explain map based identification of townscape character

	areas (on Figure 34)
IC6	Explain vehicle/s for defining and setting criteria for townscape areas

- 4.7 **Tall Buildings** are addressed in Policy SP11 which identifies the preferred locations and the criteria which they meet. The selection of these locations is supported by evidence in the USCS and has been developed in collaboration with English Heritage. Additional wording is required, as suggested by the Council, to confirm the consistency of this approach with the *London Plan* [C21]. It is clear that the policy does not preclude the identification of other areas or individual applications for tall buildings outside the preferred areas. To ensure that the CS is sound the Council has suggested an explanation to confirm the way in which such instances will be dealt with [C22].

C21	Clarify consistency with London Plan
C22	Explain vehicle for identifying sites/locations and criteria for tall buildings

- 4.8 **Historic heritage:** Whilst the CS sets out the need to protect, manage and enhance the Tower of London World Heritage Site (WHS) and its setting it does provide equal protection for the buffer zone and setting of the Maritime Greenwich WHS. I consider that the additional wording to Policy SP10 suggested by the Council is required to ensure soundness by addressing cross boundary issues [C23].

C23	Add reference to protection of the setting of Maritime Greenwich WHS
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5 OVERALL CONCLUSIONS

- 5.1 I conclude that, with the amendments I recommend, the Tower Hamlets Core Strategy DPD satisfies the requirements of s20 (5) of the 2004 Act and meets the criteria of soundness in PPS12.

Sue Turner

INSPECTOR

Annex A

Annex B

Annex C

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Annex A – Council’s changes

No	Core Strategy section	Page	Description of recommended change	Text (if any)
C1	Diverse communities and distinct places	20/21	Insert Figures 1.8, 1.9 and 1.10 and accompanying text from Options and issues for places (CD158)	
C2	Setting the Scene	15	Further explanation of how the Core Strategy emerged from the Options and Alternatives Consultation Document, Options and Alternatives for Places Consultation Document and the Community Plan.	<p>New paragraph - 1.5</p> <p>1.5 The first round of consultation identified within the Options and Alternatives Consultation Document two potential overarching strategies. One strategy was looked to refocus on our town centres, and the other advocated for organic growth across the borough. This Consultation Document also looked at options for each of the borough wide policies coming forward.</p> <p>1.6 In selecting the overarching strategy, consultation findings and further evidence base suggested a combined approach which sought to refocus on town centres, while still recognising the organic nature of growth in the areas adjacent to the City Fringe and Canary Wharf. This preferred approach for the overarching strategy, along with the preferred approach for the borough-wide policies, was tested as part of the second consultation phase – Options and Alternatives for Places. This phase also tested options for how the borough-wide policies would affect the 24 identified individual places of Tower Hamlets. It also tested the vision for each place, which included engagement with the community and stakeholders about what each place would look like in the future and how that might be delivered.</p> <p>1.7 The preferred approach for the overarching strategy is stated within chapter 3 “Refocusing on our town centres”.</p> <p>Previous 1.5 now becomes 1.8</p>
C3	Refocusing on our town centres	39	Refer to the adopted London Plan (2008) as an initial basis for the town centre hierarchy.	Para 3.2 The boroughs’ town centres continue to evolve, they have changed in the way they look, the purposes they serve, the types of shops they have and the way they are accessed and used. With the London Plan as the starting point, the town centres of Tower Hamlets have been configured in a hierarchal

No	Core Strategy section	Page	Description of recommended change	Text (if any)
				manner ⁵² which has been made locally specific to Tower Hamlets through extensive spatial baseline research. The creation of new town centres is proposed over the lifetime of the plan, in order to support population growth or to reflect existing town centre activity in some areas.
C4	Refocusing on our town centres	39	Include explanation of Tower Hamlets Activity Areas	<p>Para 3.3 In addition two Activity Areas have been identified. The Tower Hamlets Activity Areas resulted from the Town Centre Spatial Strategy (2009) identifying specific areas bordering the Central Activities Zone and the major town centre of Canary Wharf where the scale, continuity and intensity of town centre activity and land use is different to that found across the rest of the borough. Specific challenges in policy terms of these areas required a new policy mechanism as a distinctive policy response to ensure these areas are successfully managed.</p> <p>Re-number paragraphs 3.3 – 3.6 to be 3.4-3.7</p>
C5	Refocusing on our town centres	37	Provide reference to Development Management DPD and Site and Place Making DPD in SP01.	SP01 – Further detailed policies relating to town centres will be provided within the Development Management DPD and Site and Place Making DPD. (NB. This will be similar text format to the blue text on page 35)
C6	Urban Living for Everyone	42	Amendment to Figure 21 to depict amended housing target bands.	<p>Low growth (1001 – 1500 units)</p> <p>Medium growth (1501 – 2500 units)</p> <p>High growth (2501 – 3500 units)</p> <p>Very high growth (3501 + units)</p>
C7	Urban Living for Everyone	44	Clarification of how locations for seeking larger family housing will be identified.	Identifying locations within the Site and Place Making DPD and Development Management DPD where larger family housing sizes (four-bed plus) will be sought.
C8	Urban Living for Everyone	45	Clarification of how 6. a-f will be delivered by identifying delivery mechanisms such as forthcoming DPDs.	<p>Ensuring all housing is appropriate, high-quality, well-designed and sustainable. This will be achieved by:</p> <ol style="list-style-type: none"> Setting housing design standards. Working with housing partners to facilitate existing homes to be brought up to at least the Decent Homes standard. Requiring new developments to comply with accessibility standards, including “Lifetime Homes” requirements.

No	Core Strategy section	Page	Description of recommended change	Text (if any)
				<p>d. Requiring adequate provision of housing amenity space for new homes (including specialist homes where appropriate), including private amenity space in every development, and communal amenity space for developments providing 10 units or more.</p> <p>e. Requiring sites that are providing family homes to provide adequate space for play space for children.</p> <p>f. Requiring new homes to respond to climate change, including achieving a stepped-target for carbon emissions standards in-line with government guidance.</p> <p>Further detail will be developed through the Development Management DPD and other guidance, including Supplementary Planning guidance.</p>
C8A	Delivering successful employment hubs	60	Amendment of Figure 30 - Preferred Office Location blob to be more illustrative and less specific.	
C9	Creating a green and blue grid	52	Provision of reference to the protection of Metropolitan Open Land in accordance with the London Plan (2008).	SP04 (1f) Improving access to the strategically important publicly accessible open spaces, which currently include Metropolitan Open Land (East India Dock Basin and Brunswick Wharf, Island Gardens, Lee Valley Regional Park, Meath Gardens, Mile End Park, Mudchute Park and Millwall Park, Tower Hamlets Cemetery, Victoria Park) as well as the Olympic Park, Lea River Park and the FAT Walk.
C10	Programme of Delivery	26	Remove reference to some of the programmes and simplify to a list of headings	<p>Programme of Delivery</p> <p>Delivery of the spatial vision is an essential element of the Core Strategy; without which the vision will not be achieved. The council and its key partners are committed to ongoing delivery and pro-actively drive five transformational programmes that form a 'Programme of Delivery' to assist in the delivery of the spatial vision. The programmes are:</p> <ul style="list-style-type: none"> • Comprehensive regeneration areas • Infrastructure Delivery Plan

No	Core Strategy section	Page	Description of recommended change	Text (if any)
				<ul style="list-style-type: none"> • Housing investment programmes • Policy and strategy programmes • Tower Hamlets Green Grid <p>This Programme of Delivery (<i>refer to Appendix 2</i>) underpins the delivery and implementation of the Core Strategy and its spatial themes. This ensures that a clear, consistent and wide-ranging delivery approach is embedded throughout the Core Strategy.</p>
C11	Programme of Delivery	130	Extend to include all vehicles for delivery	Amended Programme for Delivery as set out in CD 161A – revised CS Appendix 2
C12	Appendix 3	142	Replace “N/A” with “Monitor trend”	“Monitor Trend”
C13	Delivery and Implementation	118-119	Updating of text in light of amended government guidance.	<p>Amend para 8.8</p> <p>The Council may pool contributions relating to significant infrastructure i.e. transport, education and health. The Council may chose to achieve this through adopting the Community Infrastructure Levy in the future and / or through the use of planning obligations.</p> <p>Any pooling of contributions, including the calculation of planning contribution requirements or a CIL levy will be determined through either a SPD on planning contributions or through a CIL charging schedule.</p>
C14	Delivery and Implementation	118-119	Updating of text in light of amended government guidance.	For further information see Circular 05/05: Planning Obligations, LBTH Planning Obligations SPD and the Community Infrastructure Levy Regulations 2010.

No	Core Strategy section	Page	Description of recommended change	Text (if any)
C15	Creating a green and blue grid	54	Further explanation of how the SFRA has been carried through into the Core Strategy within "Why we have taken this approach" text (para 4.21).	4.20 The Blue Grid addresses the issues relating to the borough's water spaces and flood risk. The Strategic Flooding Risk Assessment (SFRA) (2009) identifies that parts of the borough are at potential risk of flooding within Flood Zones 1, 2 and 3. It states that the current main risks of flooding in the borough are fluvial flooding in the Lower Lea catchment, breaches in the Thames Tidal Defences during tidal surge events and surface water flooding from impermeable surfaces. It also identifies areas which are subject to actual risk, including Poplar Riverside and Fish Island. The Strategic Flood Risk Assessment was used to Sequentially Test the Core Strategy to ensure it addresses areas of potential risk to all types of flooding across the borough. However further sequential testing of sites will come forward as a part of the Site and Place making DPD.
C16	Working towards a zero-carbon borough	84	Review of SP11(7) in light of London Plan.	Require all new developments to provide 20% reduction of carbon dioxide emissions through on-site renewable energy generation where feasible.
C17	Working towards a zero-carbon borough	85	Further explanation of the area based approach stated within SP11(5) within the "Why we have taken this approach" text (para 6.26) with reference to figure 35.	6.26 Focusing higher proportions of carbon emissions reduction measures in specific areas will help to capture and maximise the cumulative benefits. The most appropriate areas are those with larger concentrations of identified development sites. Current identified clusters correspond with the low carbon areas on Fig 35.
C18	Appendix One	125	Definition of Energy Opportunity Areas	Areas of new development where more energy efficient solutions can be applied by considering potential sites together. It is in these areas that the principles of Mayor of London's Energy Action Areas will be best applied.
C19	Creating distinct and durable places	81	Add reference to strategic and local views to Why we have taken this approach text.	New Para 6.18 Strategic views guidance is provided within the London Plan (2008) with local views to be set out in the forthcoming Development Management DPD and Proposals Map.

No	Core Strategy section	Page	Description of recommended change	Text (if any)
C20	Creating distinct and durable places	81	Provision of clarification of linkages between Figure 35 and "Why we have taken this approach" text.	Addition to Para 6.15 (prior to change 1 above): Figure 34 identifies broad areas of different townscapes currently existing in the borough. These areas require different responses when managing growth and change.
C21	Creating distinct and durable places	78 / 80	To clarify linkages between the Core Strategy policies for tall buildings and those within the London Plan (2008) by referencing economic clusters.	Figure 34 key – Tall building locations for economic clusters of large floor plate offices. SP10 5.a. Be part of an existing economic cluster and respond to existing built character of the area. Para 6.17 As such, tall buildings are best suited to established economic clusters at Canary Wharf and Aldgate, where they complement the existing context.
C22	Creating distinct and durable places	80	Add reference to Site and Place Making DPD for allocating preferred sites for tall buildings.	b. Appropriate sites for tall buildings will be identified within the Site and Place Making DPD. All tall buildings including those outside of the above locations will be assessed against criteria set out in the Development Management DPD.
C23	Creating distinct and durable places	79	Add reference to protection of the Maritime Greenwich World Heritage Site.	Change 1 – amend text of SP10(1) to read: 1. Protect, manage and enhance the Tower of London World Heritage Site, its setting, and surrounding area, as well as the buffer zone and setting of the Maritime Greenwich World Heritage Site through: a. The respective World Heritage Site Management Plans and associated documents.

Annex B – Inspector’s changes

No	Core Strategy section	Page	Description of recommended change	Text (if any)
IC1	Delivering successful employment hubs	61	State that POLs will be defined and designated through future DPDs This change supports and is consistent with the Council’s change C9	Policy SP06.2 - after “in the following areas” insert “ which will be defined in the Site and Placemaking DPD:”
IC2	Delivering successful employment hubs	61	State that LOLs will be defined and designated through future DPDs This was agreed at the examination hearings	Policy SP06.3.a – after Designating locations” insert “through the Site and Placemaking DPD”
IC3	Glossary Appendix 1	127	Inclusion of reference to micro businesses in definition of SME This change avoids the need for more significant changes to SP06 which were suggested by the Council.	After 50 employees (small) add: “and including micro businesses”.
IC4	Infrastructure Delivery Plan	130 135	Amend to reflect the availability of Leven Road Gasworks. This change is based on agreed wording set out in Statement of Common Ground No 5 – LBTH/ National Grid.	P130 Up to 8FE of primary school provision – amend timescale to 2020 P135 Leven Road open space – amend timescale to 2015 - 2020
IC5	Placemaking			Place pages 90 – 114 of the Core Strategy in an Annex.
IC6	Creating distinct and durable places	81	Further explanation of townscape areas. This change supports and is consistent with the Council’s change C20.	Further addition to paragraph 6.15. These areas will be identified and detailed policies stated in the Development Management DPD and the Site and Placemaking DPD.

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Annex C – Council’s minor amendments

No	Core Strategy Section	Original Text	Amended Text	Page
0	Entire Document			
		Table of contents	Add Strategic objectives and Spatial Policies	6/7
		Tower of London & St Katharine’s	Tower of London and St Katharine Docks	42, 141
1	Setting the Scene			
1.1		Legacy Masterplan	Legacy Masterplan Framework	18
1.2		Site Allocations DPD	Site and Place Making DPD	14
1.3		Place and Site Making DPD	Site and Place Making DPD	15
1.4		Proposals Map DPD	Proposals Map	14
1.5		Community Plan 2020	Community Plan	14
1.6		Proposals Map DPD (Fig 2)	Proposals Map	15
1.7		CS Options Paper One July 2008	LBTH Options and Alternatives Consultation Document 2008	15
1.8		CS Options Paper Two Feb 2009	LBTH Options and Alternatives for Places Consultation Document 2009	15
1.9		Community Plan 2020	Community Plan	21
2	The Big Spatial Vision			
2.1		Legacy Masterplan	Legacy Masterplan Framework	29
2.2		Town Centre Implementation Programme	Town Centre Implementation Plans	26
2.3		Removed by Inspector - change to Programme of Delivery moved to Annex A		26
2.4		Sustainable Communities Plan 2003	Sustainable Communities Plan (Sustainable Communities: Building for the future), 2003	31
3	Refocusing on our Town Centres			
3.1		Proposal Map DPD	Proposals Map	38
3.2		St Paul’s Way Development Programme	St Pauls Way Transformation Project	38
3.3		Council Asset Management Programme	Council Asset Management Strategy	38
3.4			Addition of the following text to the end of para. 3.4 This has been reflected in the amendments to the town centre hierarchy, key examples of which have been the development of the Tower Hamlets Activity Areas and the establishment of a new town centre at Bromley-by-Bow.	39
3.5		See appendix four for detailed town centre hierarchy and see the Town Centre Spatial Strategy for further information.	See Appendix Four for the detailed town centre hierarchy and see Chapter 4 of the Town Centre Spatial Strategy (2009) for further information about each town centre.	35
3.6		See Retail Capacity Assessment 2009 for further details	See Retail and Leisure Capacity Study (2009) for further details	37
3.7		LBTH Town Centre Spatial Strategy Retail Capacity Assessment (2009)	LBTH Retail and Leisure Capacity Study (2009)	39
3.8		The council looked at the challenges facing the borough’s town centres to understand how to ensure they retain their vibrancy, competitiveness and strengths while respecting their different roles. According to the measures of town centres’ health ⁵⁶ , most town centres in Tower Hamlets are in reasonable health ⁵⁷ .	The council looked at the challenges facing the borough’s town centres to understand how to ensure they retain their vibrancy, competitiveness and strengths while respecting their different roles. According to the measures of town centres’ health ⁵⁶ (which do not reflect overtrading ⁵⁷), most town centres in Tower Hamlets are in reasonable health ⁵⁸ .	39
3.9			Addition of title “ Programme of Delivery” above text “This strategy will be implemented through a number of key projects including:”	38
3.10		Poplar Area Action Plan	Poplar Area Area Action Plan	38
4	Strengthening Neighbourhood Well-being			
4.1		Masterplans & Area Action Plans (All)	Masterplans and Area Action Plans (All)	45
4.2		Proposals Map DPD	Proposals Map	45
4.3		Proposals Map DPD	Proposals Map	53
4.4		Proposals Map DPD	Proposals Map	56
4.5		St Paul’s Way Development Programme	St Pauls Way Transformation Project	45
4.6		SP05.5	Delete SP05.5 it’s the same as SP08.4	56
4.7		Local Biodiversity Action Plan 2004	Local Biodiversity Action Plan 2009	54
4.8		Tower Hamlets Housing Investment Programme	Borough Investment Plan (Tower Hamlets Housing Investment Programme)	45
4.9		LBTH Housing Implementation Strategy	Remove text	45
4.10		Seek to deliver approximately 43,275 new homes (equating to 2,885 per year) from	Seek to deliver 43,275 new homes (equating to 2,885 per year) from 2010 to 2025 in line	43

		2010 to 2025 in line with the housing targets set out in the London Plan.	with the housing targets set out in the London Plan.	
4.11			Addition of title “ Programme of Delivery” above text “This strategy will be implemented through a number of key projects including:”	38, 45, 49, 53, 56
4.12		Ensure any new waste management facility is integrated into its surroundings, is modern, innovative and well designed to minimise negative impacts and robust enough to alter its operation and capacity as circumstances change. Further criteria will be set out in the Development Management DPD.	Ensure any new waste management facility is integrated into its surroundings, is modern, innovative and well designed. The facility should minimise negative environmental, transport and amenity impacts on the surrounding area (including within neighbouring boroughs). It should be flexible enough to alter its operation and capacity as circumstances change without materially increasing these impacts. Further criteria will be set out in the Development Management DPD.	56
4.13		Work with British Waterways to deliver a network of high-quality, usable and accessible waterspaces, through:	Change 1 – SPO04 (4) amend text to: “Work with British Waterways and the Port of London Authority to deliver a network of high quality, usable and accessible waterspaces, through:”	53
4.14		Place and Site Making DPD	Site and Place Making DPD	45
4.15		GLA London Plan 2008 & GLA Housing in London 2008	GLA London Plan 2008 and GLA Housing in London 2008	46
4.16		LBTH Planning for PC&G – Baseline Report 2009	LBTH Planning for Population Change and Growth Capacity Assessment - Baseline Report, 2009	46
4.17		LBTH Affordable Housing Viability – LDF Review	LBTH Affordable Housing Viability Assessment	46
4.18		LBTH Children’s Play Space Strategy	LBTH Play Space Strategy 2007	46
4.19		LBTH Planning and Play Design Principle for Playable Space in LB Tower Hamlets	LBTH Planning and Play Design Principle for Playable Space in LB Tower Hamlets 2008	45
4.20		Poplar Area Action Plan	Poplar Area Area Action Plan	49
4.21		Leisure Strategy x2	LBTH Leisure Facilities Strategy (Sporting Places)	49
4.22		Multi-faith burial ground	Criteria for Multi-Faith Burial Ground Report	49
4.23		Air Quality Management Framework	LBTH Air Quality Action Plan	49
4.24		Clear Zone	Clear Zone Partnership	49
4.25		NHS Tower Hamlets Health and well-being strategy (Draft) 2009	Improving Health and Well-being in Tower Hamlets 2006	50
4.26		NHS Tower Hamlets Joint Strategic Needs Assessment, 2008	NHS Tower Hamlets Joint Strategic Needs Assessment, 2008/09	50
4.27		Air Quality Management Plan 2004	Air Quality Action Plan 2004	50
4.28		LBTH Multi Faith Burial Site Report	Criteria for Multi-Faith Burial Ground Report 2009	50
4.29		LBTH Leisure Strategy 2009	LBTH Leisure Strategy (Sporting Places) 2009	50
4.30		LBTH Open Space Strategy	LBTH Open Space Strategy	53
4.31		Local Biodiversity Action Plan	LBTH Local Biodiversity Action Plan	53
4.32		European Union Water Framework Directive	European Union Waste Framework Directive	54
4.33		Thames Estuary 2100 Action Plan 2009	Thames Estuary Action Plan Consultation Document 2009	54
4.34		Poplar Area Action Plan	Poplar Area Action Plan	56
5	Enabling Prosperous Communities			
5.1		Proposals Map DPD	Proposals Map	62
5.2		St Paul’s Way Transformation project	St Pauls Way Transformation Project	66
5.3		LBTH Strategic Business Case (BSF), 2006	Remove bullet point	67
5.4		LBTH Strategy for Change Part One, 2008	Remove bullet point	67
5.5		LBTH Economic Strategy	Remove bullet point	62
5.6		MAA Worklessness	Remove bullet point	62
5.7			LBTH Regeneration Strategy	62
5.8			Employment Strategy	62
5.9			Addition of title “ Programme of Delivery” above text “This strategy will be implemented through a number of key projects including:”	62, 66
5.10		Poplar Area Action Plan	Poplar Area Area Action Plan	62
5.11		LBTH Economic Strategy	LBTH Regeneration Strategy	62
5.12		City Fringe Opportunity Area Planning Framework 2006	City Fringe Opportunity Area Planning Framework (draft) 2006	62
5.13		Poplar Area Action Plan	Poplar Area Area Action Plan	66
6	Designing a High Quality City			
6.1		Housing estate regeneration	Housing estate regeneration projects	84
6.2		Local Implementation Plan (transport)	Local Implementation Plan	72
6.3		Millennium Quarter	Millennium Quarter Masterplan	80
6.4		Proposal Map DPD	Proposals Map	80
6.5		Proposals Map DPD	Proposals Map	72
6.6		St Pauls Way Transformational Project	St Pauls Way Transformation Project	76
6.7		Town Centre Implementation Plan	Town Centre Implementation Plans	76

6.8		City Fringe Conservation Plan	Remove text	80
6.9		Energy Action Areas	Energy Opportunity Areas	84
6.10			Addition of title “ Programme of Delivery” above text “This strategy will be implemented through a number of key projects including:”	72, 76, 80, 84
6.11				
6.12		Poplar Area Action Plan	Poplar Area Area Action Plan	72
6.13		East London Line Extension	London Overground	72
6.14		Making Connections	Making Connections: Towards a Climate Friendly Transport Future	72
6.15		Mayor’s Transport Strategy	GLA Transport Strategy	72
6.16		“Making Connections” Transport Strategy	“Making Connections” strategy	72
6.17		, the East London Line Extension,	, the incorporation of the East London Line into the London Overground network,	73
6.18		Making Connections 2008	Making Connection: Towards a Climate Friendly Transport Future, 2008	73
6.19		LBTH Planning for PC&G – Baseline Report 2009	LBTH Planning for Population Change and Growth – Baseline Report 2009	73
6.20		secured by design	Secured by Design	77
6.21		Manual for Streets	DfT Manual for Streets	77
6.22		The World Heritage Site Management Plan and associated documents	The Tower of London World Heritage Site Management Plan and associated documents	79
6.23		Conservation Area Management Plans	Conservation Areas Character Appraisals and Management Guidelines	79
6.24		Conservation Area Character Statements and Management Plans	Conservation Areas Character Appraisal and Management Guidelines	80
6.25		Code for Sustainable Homes	Code for Sustainable Homes: Setting the standard in sustainability for new homes	80
6.26		Heritage Counts	English Heritage Heritage Count 2008	81
6.27		Urban Design Compendium 1&2	Urban Design Compendium 1&2 2007	81
6.28		Sustainable Energy & Biodiversity Enhancement Report 2008	Opportunities for Sustainable Energy and Biodiversity Enhancement 2008	84
6.29		Mayor’s Climate Change Action Plan	GLA Climate Change Action Plan	85
7		Delivering Place-making		
7.1		To promote a mix of uses that successfully reinforce the city fringe character of small shops and businesses, alongside residential.	Promote a mix of uses that successfully reinforce the city fringe character of small shops and businesses, alongside residential.	91
7.2		To structure and positively plan for development that will address the severance caused by the A12, the railway and the waterspace.	To structure and positively plan for development that will address the severance caused by the A12, the railway and waterspaces including the River Lea.	106
7.3			Addition of Northumberland Wharf on Vision Diagram with the following text “Safeguarding Northumberland Wharf”.	111
7.4			Add the following priority: “To continue to protect Northumberland Wharf for cargo-handling uses including the transport of waste. Development that prejudices the operation of the wharf for these purposes will not be supported”.	111
7.5			Add the following principle: “Effective buffers are needed to protect the amenity of surrounding uses and the future operation of Northumberland Wharf.”	111
7.6		PPS1: Local Spatial Planning	PPS12: Local Spatial Planning 2008	89
7.7		CLG World Class Places 2009	DCLG World Class Places 2009	89
8		Delivery and Implementation		
8.1A		Healthy Borough programme	Tower Hamlets Green Grid	118
8.1		Proposals Map DPD	Proposals Map	
9		Appendices		
		Appendix Two: Infrastructure Delivery Plan (IDP)		
9.1A			Number items within Appendix 2	130
9.1		Aldgate Master Plan	Aldgate Masterplan	136
9.2		Aspen Way Master Plan	Aspen Way Masterplan	135
9.3		Bishopsgate Master Plan	Bishopsgate Goodsynd Masterplan	136
9.4		Bromley-by-Bow Master Plan	Bromley-by-Bow Masterplan	133
9.5		Bromley-by-Bow Master Plan	Bromley-by-Bow Masterplan	136
9.6		Hackney Wick / Fish Island Master Plan	Fish Island Area Action Plan	133
9.7		Hackney Wick / Fish Island Masterplan	Fish Island Area Action Plan	132
9.8		Hackney Wick Fish Island Master Plan	Fish Island Area Action Plan	136
9.9		Idea Store Strategy (draft)	Idea Store Strategy	138
9.10		LMF	Legacy Masterplan Framework	133
9.11		Millennium Quarter Master Plan	Millennium Quarter Masterplan	134
9.12		Sporting Places – A Leisure Facilities Strategy for the LBTH (draft)	Sporting Places – A Leisure Facilities Strategy for the LBTH	137

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9.13	Sporting Places – A Leisure Facilities Strategy for the LBTH (draft)	Sporting Places – A Leisure Facilities Strategy for the LBTH	138
9.14	Victoria Park Master Plan	Victoria Park Masterplan	136
9.15	Victoria Park Master Plan	Victoria Park Master Plan	137
9.16	Whitechapel Master Plan	Whitechapel Masterplan	133
9.17	Implementation (IDP 9th column, 4th row)	Implementation	133
9.18	Millenium (IDP 9th column, 3rd row)	Millennium	134
9.19	"(draft)" (IDP 9th column, 5th row)	remove "(draft)"	137
9.20	"(Draft)" (IDP 9th column, 3rd row)	remove "(Draft)"	138
9.21	"part two" 9th column / 3rd row	remove "part two"	131
9.22	Hackney Wick / Fish Island Masterplan / Forthcoming Feasibility Study	Hackney Wick and Fish Island Hub Study	132
9.23	Potentially part of TFL Sub Regional Plan for East London scheme	Remove text	132
9.24		Refer to appendix	130-142
9.25	St Paul's Way Transformational Projects	St Paul's Transformation Project	134
Appendix Five: Superseded Policies			
9.26	None	U1 - Retained	157
9.27	None	U2 – Retained	157
9.28	None	U3 – Removed – superseded by SP04	157
9.29	None	U10 - Retained	157
9.30	None	U12 - Retained	157
9.31	None	U13 - Retained	157
9.32	Place and Site Making DPD	Site and Place Making DPD	154
9.33	Proposals Map DPD	Proposals Map	154
Endnotes			
9.34	27. LBTH Strategic Housing Market Assessment (Draft), 2009. (p.107-108)	27. LBTH Strategic Housing Market Assessment, 2009. (p.107-108)	162
9.35		Amend all end notes beyond 56 end note (refer to 3.8 above)	All
9.36	LBTH Climate Change and Mitigation and Adaptation Report 2009 x3	LBTH Climate Change Mitigation and Adaptation Report 2009	162
9.37	WHO Health Cities and the City Planning Process	WHO Healthy Cities and the City Planning Process	162
9.38	PPS Planning and Climate Change 2007	PPS1 Supplement Planning and Climate Change	162
9.39	PPS1: Creating Sustainable Communities	PPS1: Delivering Sustainable Development	162
9.40	Good Practice Note 5: Delivering Healthy Communities, Royal Town Planning Institute, 2009	RTPI Good Practice Note 5: Delivering Healthy Communities. 2009	162
9.41	PPS12, 2008	PPS12 Local Spatial Planning, 2008	162
9.42	London Plan 2008	GLA London Plan 2008	162
9.43	LBTH Community Plan 2020 x2	LBTH Community Plan 2008	162
9.44	Tower Hamlets Community Plan: 2020 Vision page 4	LBTH Community Plan 2008 – 2020 Vision (p. 4)	162
9.45	LBTH Space Syntax, Spatial Baseline Report 2009	LBTH Town Centre Spatial Strategy Spatial Baseline, 2009	162
9.46	LBTH Spatial Baseline Reports	LBTH Town Centre Spatial Strategy Spatial Baseline, 2009	162
9.47	Strategic Housing Market and Needs Assessment August 2009 x2	Strategic Housing Market Needs Assessment 2009	162
9.48	LBTH Housing Strategy 2008-11	LBTH Housing Strategy 2009	162
9.49	LBTH Strategic Housing Market Assessment August 2009	LBTH Strategic Housing Market Assessment 2009	162
9.50	RTPI Good Practice Note 5 2009	RTPI Good Practice Note 5, Delivering Healthy Communities 2009	162
9.51	RTPI Good Practice Note 5 2009	RTPI Good Practice Note 5, Delivering Healthy Communities 2009	163
9.52	LBTH Industrial Study 2006	LBTH Industrial Land Study 2006	163
9.53	Manual for Streets 2007	DfT Manual for Streets 2007	163
9.54	LBTH Town Centre Spatial Strategy Spatial 2009 x2	LBTH Town Centre Spatial Strategy 2009	163
9.55	Enabling Development and the Conservation of Significant Places 2008, & Moving Towards Excellence in Urban Design 2003	English Heritage Enabling Development and the Conservation of Significant Places 2008, & English Heritage Moving Towards Excellence in Urban Design 2003	163
9.56	Opportunities for Sustainable Energy and Biodiversity Enhancement 2008	LBTH Opportunities for Sustainable Energy and Biodiversity Enhancement 2008	163
9.57	PPS12 2008	PPS12: Local Spatial Planning 2008	163

Agenda Item 6.2

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director – Development and Renewal Originating officer(s) Jackie Odunoye Service Head (Head of Strategy, Innovation & Sustainability) / Paul Leeson, Finance Manager - Development & Renewal		Title: Adoption of Housing Investment Programme Capital Estimates - 2010/11 Wards Affected: All	

Lead Member	Housing, Heritage and Planning
Community Plan Theme	One Tower Hamlets
Strategic Priority	Ensuring value for money across the Council

1. **SUMMARY**

- 1.1 The Council submitted its 2010-11 Housing Investment Programme to the 10 March 2010 Cabinet for consideration in order to minimise delays in commencing works on the approved schemes at the start of the 2010-11 financial year. Consequently, the Council envisaged submitting an updated Housing Investment Programme to Cabinet in the summer.
- 1.2 It has however subsequently become apparent that the resources available to fund the capital programme in 2011-12 are at risk of being much less than originally envisaged, and as a result this impacts upon the 2010-11 programme. Officers in Development and Renewal, in conjunction with Tower Hamlets Homes, have reassessed the programme to mitigate this risk.
- 1.3 This report seeks to vary capital estimates and schemes adopted by Cabinet in March 2010 in respect of the 2010-11 Housing Investment Programme for those elements of the programme that are managed by Tower Hamlets Homes. It also seeks approval for the adoption of a capital estimate to commence the delivery of Decent Homes works that were approved under the Accelerating Delivery of Key priorities scheme.

2. DECISIONS REQUIRED

Cabinet is recommended to: -

- 2.1 Note the contractually committed schemes that have been let and have commitments in 2010-11 and 2011-12, as set out in Appendix A of the report (see paragraph 7.2).
- 2.2 Adopt capital estimates for those schemes set out in Appendix B and delegate authority to the Corporate Director, Development and Renewal, after consultation with the Lead Member – Housing, Heritage and Planning, to progress subject to clarification on the funding for 2011-12 and resources being made available (see paragraphs 7.4 and 7.5).
- 2.3 Adopt a capital estimate of £500,000 within the 2010-11 capital programme to establish a contingency provision for urgent works. (see paragraph 7.6).
- 2.4 Adopt capital estimates of up to £2,000,000, as outlined in Appendix D, to allow the commencement of the Decent Homes programme to be funded under the Accelerated Delivery of Key Priorities as agreed by Cabinet on 4 November 2009. (see paragraph 8.1).
- 2.5 Adopt a capital estimate of £100,000 to incorporate additional Aids and Adaptations funding into the Housing Investment Programme. These resources were also approved under the Accelerated Delivery of Key Priorities as agreed by Cabinet on 4 November 2009. (see paragraph 8.2).
- 2.6 Agree that the capital receipt of £800,000 from the sale of 9 ex-short life properties to Network Housing Association will be used to part fund the Network scheme at 14-20 Alie Street., as outlined in section 9 of the report.

3. REASONS FOR THE DECISIONS

- 3.1 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various housing schemes in order that they can be progressed.

4. ALTERNATIVE OPTIONS

- 4.1 Schemes within the Housing Investment Programme are assessed by Tower Hamlets Homes in accordance with relative need, and are then prioritised. Although alternative schemes are feasible, they would not be adopted in accordance with the asset management strategy and would be contrary to the procedures applied to the Housing Investment Programme.

5. **BACKGROUND**

- 5.1 In order to enable forward planning and clearly identify current and future priorities, the Council has developed a five year Housing Investment Programme, with the outline schemes forming the 2009-10 to 2013-14 programme that was approved by Cabinet on 29 July 2009. An updated programme is presented to Cabinet annually as circumstances change, resources available in the short term become clearer, and preparation work for the next year of the five-year rolling programme is undertaken.
- 5.2 An initial report for 2010-11 was approved by Cabinet on 10 March 2010 in order that the initial necessary capital estimates could be adopted and to ensure that there would be no delay in works commencing on the approved schemes at the start of the financial year.
- 5.3 At its May 2009 meeting, Cabinet agreed the Housing Strategy 2009-11 which contained the following objectives:
- Delivering and maintaining decent homes
 - Placemaking and sustainable communities
 - Managing demand, reducing overcrowding
 - New housing supply

The investment programme agreed in March and updated here addresses these aims, where appropriate. Other aspects of the Housing Strategy are being met through other complementary means e.g. via the Home and Communities Agency funding programme.

- 5.4 The Council is part-way through its currently agreed five year programme. The programme has been updated and informed by the recently completed stock condition survey, and resident priorities and agreed in detail for the current and following financial year, with new schemes added to the programme as appropriate to ensure it continues to roll forward effectively and informs the investment planning process for future years.
- 5.5 In order to ensure that progress continues to be made on delivery of the approved programme, the Council needs to be able to work schemes up to tender and begin detailed resident consultation. Schemes must be part of the approved programme before this process can commence.

6. **RESOURCES**

- 6.1 In common with the majority of capital funded programmes, the Housing Capital Programme is affected by uncertainty concerning the future of various financing regimes.

There are several factors that currently impact upon the funding of the Housing Capital Programme, the main issues being:

- The review of the Housing Capital Financing System, and the possible dismantling of the Housing Revenue Account Subsidy system
 - Reduction in Government support for housing projects, including the risk that Supported Capital Expenditure will not be extended beyond 2010-11
 - The availability of Decent Homes Funding
- 6.2 Over recent years, the mainstream Housing Capital Programme has been funded from resources of approximately £28 million per annum, made up of Major Repairs Allowance of £12.5 million and Supported Capital Expenditure of £15.5 million. Major Repairs Allowance is a cash grant that is paid to authorities through the Housing Subsidy system, while Supported Capital Expenditure is an authority specific allocation representing the amount of borrowing that can be undertaken with full financing support for the revenue costs (i.e. interest payments) being met via the Housing Subsidy system.
- 6.3 Allowing for commitments on regeneration schemes (e.g. Ocean NDC and Blackwall Reach), the capital programme for expenditure on the Authority's own stock has been approximately £23 - £25 million per annum, and this level of on-going resources had been assumed to be available to underpin the Housing Capital Programme in the future.
- 6.4 However, officers consider it to be a significant risk that the Coalition Government, as part of the Comprehensive Spending Review to be announced in the autumn and any subsequent Housing Revenue Account Subsidy entitlement legislation, will reduce the levels of Supported Capital Expenditure available. Based on recent years, this will mean that in excess of £15 million of resources will be at risk and it is now considered prudent to reassess the capital programme.
- 6.5 For the purposes of this report, it is assumed that the existing Subsidy system will continue into 2011-12 and that if the proposed new self-financing system, as reported to Cabinet in July, is introduced, it will be after 1 April 2011 (see section 10 below).
- 6.6 The Council established Tower Hamlets Homes in July 2008 and anticipates this will lever in additional resources from 2011 onwards, subject to the ALMO achieving two star status in its inspection later this year. However, this report is based on existing resources from 2010-11 and estimates for

future years without an assumption of those additional resources. Until the Council has certainty of its ALMO Decent Homes funding allocation, its scope to address decent homes is more limited, however, the Housing Investment Programme does include a decent homes pilot programme.

6.7 The table below (Table 1 – Projected Resources 2011-12) sets out officers' assessment of the best and worst case scenarios for available resources in 2011-12. The residual available resources shown are net of projected levels of commitments for both Blackwall Reach and Ocean Estate. The scenarios determining the indicative 2011/12 level of resources are based on the latest available information, the worst case excluding Supported Capital Expenditure, the best case including it.

6.8 The table highlights that there could be a severe adverse movement in the availability of resources in 2011-12 which will impact upon the ability to finance the current level of commitments arising from the agreed Housing Investment Programme. It is therefore prudent for the Council to re-assess its current programme.

Table 1 – Projected Resources 2011-12

Resources	2010/11 £	2011/12 Worst case £	2011/12 Best Case £
Supported Capital Expenditure	15,500,000	0	15,500,000
Major Repairs Allowance	12,913,000	12,500,000	12,500,000
Major Repairs Allowance (B/F)	1,075,000	0	0
East London Sub-Regional Funding	160,000	0	0
Less: Regeneration Commitments (Blackwall Reach and Ocean Estate)	(6,000,000)	(5,900,000)	(5,900,000)
Projected Resources	23,648,000	6,600,000	22,100,000

7. REVIEW OF PROGRAMME

7.1 In light of the potential shortfall in resources for 2011-12 that is outlined in section 6 above, officers in Development and Renewal and Tower Hamlets Homes have jointly undertaken a detailed analysis of the programme to identify the status of each of the Housing Capital schemes. The aim of this was to enable an informed, controlled programme of work to be delivered

over a rolling period within constraints of both known and projected levels of resources.

- 7.2 All schemes within the programme have subsequently been reviewed, with the exception of the capitalised repairs to long-term voids, aids and adaptations and the Council's cash incentive scheme. This review identified that contractual liabilities are currently £12.957 million, with the in-year value (2010-11) of these schemes being £11.707m (around half of the available 2010-11 resources). More significantly the associated contractual liabilities in 2010-11 are only £1.250m, which makes the delivery of these schemes affordable. These are shown in Appendix A and members are asked to note these schemes and their impact on 2011-12.
- 7.3 The remaining proposed 2010-11 uncommitted schemes had an in-year value of approximately £10m. However, many of these schemes also carried a financial commitment into 2011-12 and this sum exceeded £14m, which is now in excess of our prudent estimate of resources available.
- 7.4 The £6.6 million of resources in 2011-12 must encompass the existing commitments of £1.250m already entered into on contracted schemes (paragraph 7.2) as well as other currently unapproved future calls on the programme (e.g. capitalisation of voids, aids and adaptations and the cash incentive scheme). In addition, Tower Hamlets Homes has put forward its recommended proposed priorities to the Council, which are shown in Appendix B. These include various decent homes works. In total these THH schemes project expenditure of £8.003 million in 2010-11, which can be met from within the current year's resources, but would carry forward commitments of £5.122 million into 2011-12.
- 7.5 In light of these concerns, it is proposed that the schemes within the programme will be prioritised and released as appropriate but within the constraints of resources available in both 2010-11 and 2011-12. In order that these schemes can be contractually committed at the earliest opportunity, officers therefore recommend that capital estimates for the schemes shown in Appendix B are adopted but that authority to progress is delegated to the Corporate Director, Development and Renewal, in conjunction with the Lead Member - Housing, Heritage and Planning, as and when greater clarity is forthcoming on the 2011-12 resource position.
- 7.6 It is essential to provide an appropriate financial contingency to cover the risks associated with the delivery of a major capital programme. The previously adopted Housing Capital Programme makes no provision for contingency therefore is recommended Members approve a capital estimate to establish a contingency provision of £500,000. The utilisation of this contingency will only be subject to the approval of the Corporate Director, Development and Renewal.
- 7.7 The Table below shows the resource and expenditure position over the two financial years. This highlights that although the contracts already let place a commitment of only £1.250m in 2011-12, the proposed THH prioritised

works would commit all “worst case” resources without allowing for any specific initiatives or unforeseen expenditure that might arise in 2011-12.

Table 2 – Projected Expenditure v Projected Resources

Resources	2010/11 £	2011/12 Worst case £	2011/12 Best Case £
Projected Resources (See Table 1)	23,648,000	6,600,000	22,100,000
<u>Projected Expenditure</u>			
Main Capital Programme – Committed (Appendix A)	11,707,000	1,250,000	1,250,000
THH Proposed Prioritised Works (Appendix B)	8,003,000	5,122,000	5,122,000
Other Housing Initiatives	3,400,000		
Contingency	500,000		
Total Actual & Projected Capital Expenditure	23,610,000	6,372,000	6,372,000
Available Resources	38,000	228,000	15,728,000

7.8 The revised capital programme proposed by Tower Hamlets Homes for 2010-11, which incorporates the projected expenditure shown in the table above, is summarised by scheme type in Appendix C.

8. ACCELERATING DELIVERY OF KEY PRIORITIES

8.1 On 4 November 2009, Cabinet approved funding towards the ‘Accelerating Delivery of Key Priorities’ (CAB 078/090). Included amongst the approvals was £2 million of funding towards the Delivery of Decent Homes (Bid AD/DR/02). In order for the scheme to progress, a capital estimate must be adopted. The proposed schemes are attached as Appendix D to this report.

8.2 In addition to the Decent Homes Funding, members also approved the allocation of £250,000 of resources to fund Aids and Adaptations within the Council’s housing stock. Cabinet approval is sought for the adoption of a capital estimate of £100,000 in order that the 2010-11 element of this scheme can be formally adopted within the capital programme.

9. SHORT LIFE PROPERTY DISPOSAL TO NETWORK HOUSING GROUP

- 9.1 On 8 November 2006 Cabinet agreed to sell a number of short life properties to be redeveloped for affordable housing and to use the resources generated from the sale for further affordable housing or regeneration schemes within the Authority's capital programme. A sale was subsequently agreed with Network Housing Group of nine of these ex-shortlife properties (Ropery Street and others), which have been subject to a number of complaints from neighbouring properties. Following protracted negotiations with the Homes and Communities Agency, grant of £1,400,800 has been agreed and the refurbishment will produce 5 x 3 bed houses and 4 x 4 bed houses.
- 9.2 The HCA were unwilling to support the high level of grant required for the Ropery Street properties, primarily because the scheme costs included an £800,000 receipt being paid to the Council, unless the Council uses this receipt to part fund another Network scheme. This is not at variance with the original Cabinet decision and therefore in order to achieve the sale and refurbishment of these run-down properties, which have caused a substantial number of complaints, officers are now recommending that the receipt from the sale of these short life properties should be used to subsidise the grant level on another Network scheme, 14-20 Alie Street. This will produce 6 x 3 bed properties for affordable rent. Nominations to the properties will be via the Common Housing Register.
- 9.3 The following table shows the combined funding position for these two schemes:

Table 3 – Funding of Proposed Network Housing Group Schemes

Scheme	National Affordable Housing Programme Grant £	Recycled Grant from RSL (Recycled Capital Grant Fund) £	LA Grant £	Units	Persons	HCA Grant per Person £
9 Street Properties	1,401,000	128,000	0	9	52	29,404
14-20 Alie Street	99,000	0	800,000	6	29	3,414
Combined Scheme Costs	1,500,000	128,000	800,000	15	81	20,099

- 9.4 The council will receive nominations to all of the Ropery Street houses and at least 5 of the 6 Alie Street properties, because our financial contribution to both will attract a higher proportion of the nominations than is usually calculated under the East London Sub-regional Nominations process.

10. REVIEW OF COUNCIL HOUSING FINANCE

- 10.1 At the end of March 2010, the previous Government set out a consultation document to dismantle the HRA subsidy system and replace it with a new self-financing system, details of which were presented to Cabinet on 7 July. The Coalition Government is pledged to reform the HRA and has not withdrawn the proposal.
- 10.2 The introduction of self-financing and the 30 year HRA business plan will put a new emphasis on the management of assets and the relationship between capital investment and revenue maintenance of the stock. A critical assumption relates to the stock investment and capital expenditure needs over the longer term. Our current working assumption is that over the period of the business plan the Council's housing capital investment requirement will be some £56,000 per dwelling which equates to £690m in total.
- 10.3 Under this new financing system all future capital investment must be financed either through prudential borrowing (financed on an annual basis from rental income), capital receipts, specific grants or available HRA balances.

11. DECENT HOMES FUNDING

- 11.1 Tower Hamlets Homes will be subject to its Audit Commission inspection during November 2010. A successful rating could provide access to significant ALMO funding in future years. Neither the 2010-11 HRA estimates, the HRA Medium Term Financial Strategy nor the Capital Programme assume any funding from this source.

12. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 12.1 This report reviews the 2010-11 Housing Investment Programme in light of potential reductions in the funding available in 2011-12.
- 12.2 The 2010-11 Housing Investment Programme was approved by Cabinet on 10 March 2010. The report approved capital estimates totalling £24,290,000 for a range of schemes that are managed by Tower Hamlets Homes on behalf of the Council.
- 12.3 At the time that the original report was being considered by Cabinet in March, final confirmation of resources had not been received, and a small element of over-programming was included within the programme. The amended approvals sought in this updated report are affordable within the 2010-11 resources available (see Table 2),
- 12.4 No funding announcements have yet been made by the Government for 2011/12 and no financial commitments can be made until funding is

confirmed. The report sets out what the risks to funding in 2011/12 are currently understood to be.

- 12.5 Members will be aware that the Coalition Government is continuing with the review of the Council Housing Finance system as outlined in section 10. Cabinet considered a report into the possible impact upon the authority and the Council's response to the consultation paper at the meeting on 7 July 2010. The dismantling of the HRA Subsidy system will change the financing regime for Local Authority Housing Finance, both revenue and capital, but it is considered unlikely that any reforms will be in place by April 2011 so to be prudent this report assumes that the on-going system will continue.

Accelerated Delivery

- 12.6 The report seeks the adoption of capital estimates for two schemes that were approved for funding under the 'Accelerating Delivery of Key Priorities' report that was considered by Cabinet in November 2009 (section 8). Full financing is available for these projects. In accordance with Financial Regulations, because they are capital schemes, capital estimates must first be adopted prior to any expenditure being incurred.

Contingency

- 12.7 The report also seeks approval for a capital estimate to be adopted for the establishment of a contingency provision of £500,000 to be utilised in the event of urgent major capital works arising. This will be funded from within the total available capital resources in 2010/11, and is incorporated into the expenditure analysis shown in Table 2.

Short Life Property Disposal

- 12.8 The report also seeks approval for the Council to recycle the capital receipt that will be received under 'the future of short life properties owned by the Council' proposals that were approved by Cabinet in November 2006 (section 9). The Homes and Communities Agency has made it clear that it will only grant fund Network Housing Group to fund the acquisition and refurbishment of Authority owned properties, including those in Roper Street, if the Authority agrees to recycle the capital receipt that will be generated (£800,000) into another Network scheme at 14-20 Alie Street.
- 12.9 Table 3 shows the combined funding position for the schemes, but in effect, on the basis that neither scheme will progress unless the Authority agrees to recycle the receipt as Local Authority Grant, the Authority is gaining nomination rights to fourteen of the fifteen redeveloped houses in Roper Street and Allie Street (10x 3 bed, and 4x 4 bed) for a cost of £800,000.
- 12.10 Based on the lost opportunity cost of retaining and utilising the capital receipt for other regeneration related initiatives, the cost to the Authority is approximately £53,300 per property, or £9,900 per bed space. In addition, the HCA's contribution across these schemes equates to £108,500 per property or £20,100 per bed space. These total costs to the public purse of

approximately £162,000 per property compare favourably with the costs of £188,000 upwards (excluding land value) that were included within the successful bids submitted under the Building Britain's Future council house building funding regime.

13. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 13.1 Cabinet is asked to approve capital estimates associated with the housing investment programme and to the allocation of a capital receipt from the sale of nine ex-short life properties.
- 13.2 As the local housing authority for Tower Hamlets, the Council has broad functions in relation to reviewing housing need, providing housing, combating overcrowding and providing accommodation to the homeless. The Council is also responsible for maintaining its housing stock. It is consistent with good administration for the Council to adopt a 5-year investment programme related to the delivery of its housing function.
- 13.3 The Financial Regulations set a threshold of £250,000, above which Cabinet approval is required for a capital estimate. The Financial Procedures supplement this requirement. In accordance with Financial Procedure FP 3.3, senior managers are required to proceed with projects only when there is a capital estimate adopted and adequate capital resources have been identified. Where the estimate is over £250,000 the approval of the adoption of that capital estimate must be sought from the Cabinet.
- 13.4 The items in Appendix B of the report appear to concern maintenance and repairs to be carried out in relation to specified properties. These works may be considered consistent with the Council's repair obligation under section 11 of the Landlord and Tenant Act 1985. The other capital estimates are for urgent works and commencement of the Decent Homes programme. There are matters capable of being carried out within the Council's statutory functions.
- 13.5 It is proposed that the identified capital receipt be used on a scheme at 14-20 Alie Street. It is understood that this scheme concerns the purchase by Network Housing of 6 x 3 bedroom units from the developer. The Council is to contribute the £800,000 receipt from the Ropery Street properties to the purchase price. The Council's housing provision functions are broad enough to encompass such an arrangement (see for example section 9(3) of the Housing Act 1985). There is a need for the nomination rights received to constitute value for money, consistent with the Council's duty as a best value authority under the Local Government Act 1999.
- 13.6 It will be for officers to ensure that individual commitments are carried out in accordance with legal requirements. Any procurement associated with works or projects must be carried out in accordance with the Council's procurement procedures and the requirements of the Public Contract Regulations 2006.

14. ONE TOWER HAMLETS CONSIDERATIONS

- 14.1 This report concerns progress in formulating housing investment programmes. The extent to which this can be achieved and programme targets reached will have a direct bearing on helping to achieve the Council's objectives in regard to tackling some of the material effects of poverty in the borough.

15. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 15.1 The Housing Investment Programme contains specific provision to improve the energy efficiency of the Council's own stock. For example, a significant proportion of the Council's annual programme consists of renewing outdated, less efficient boilers with modern equivalents. In addition, all schemes, especially those involving new roofs, windows, heating and insulation are developed to maximise energy efficiency benefits. Work is also being undertaken to further develop this aspect of investment as part of the improvement plan arising from the Best Value review of the Council's major works function. These aspects of the programme help to ensure that resources are directed appropriately at local Agenda 21 objectives.

16. RISK MANAGEMENT IMPLICATIONS

- 16.1 The risk management principles that underpin the operation of the capital programme are:
- 16.1.1 Minimising the Risk of Underspending. The Housing Investment Programme is assembled with regard to the fact that schemes, especially those which are currently uncommitted, can often suffer delays. Overprogramming is therefore built into the operation of the programme in order to provide the flexibility required to quickly reprogramme in the case of any scheme where unforeseen delays occur.
- 16.1.2 Minimising the Risk of Overspending. No funding beyond that already confirmed and available for the current year has been assumed and regular monitoring of the programme is carried out to ensure that unacceptable levels of contractual commitments are not allowed to build up both in the current and future years.
- 16.2 This report is driven by the major risk that resources will be much reduced in future years and addresses the principle outlined in paragraph 16.1.2.

17. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 17.1 There are no specific Crime and Disorder reduction implications however working closely with the ASB teams and local residents, schemes for e.g.

door entry systems and environmental improvements, like additional lighting, contribute to a reduction of crime and disorder.

18. EFFICIENCY STATEMENT

- 18.1 The contracts used to undertake the Council's major works programme have been organised in line with the findings of the Best Value review of the service and makes use of partnering principles to reduce overheads and tendering costs to a minimum in order that the service may operate in as efficient a way as possible

19. APPENDICES

Appendix A - Housing Investment Programme 2010-11 - Committed Schemes

Appendix B - Tower Hamlets Homes Proposed Priority Schemes

Appendix C - Summary Analysis of Committed and THH Proposed Priority Schemes by Category

Appendix D – Proposed Decent Homes Schemes to be Funded from Accelerated Delivery Funding



**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.x
Housing Investment Programme Files	Paul Leeson Development and Renewal Finance Extension 4995

Appendix A
Housing Investment Programme 2010-11 - Committed Schemes

ID	Type	Scheme	Details	Grand Total		Spend Prior to 31/03/10		Estimate 2010/11		Estimate 2011/12		Ward
				£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's			
101655	Caretakers Accom	Caretaking renovation Ph 1	Jarman Aral Ambrose Walk	62	60	1	0					
101656	Caretakers Accom	Caretaking renovation Ph 2	Brewster Alliston Ellen Wilkinson	49	48	1	0					
101676	Caretakers Accom	Caretaking renovation Ph 5	Toby Club caretaking	44	38	6	0					
101678	Caretakers Accom	Caretaking renovation Ph 7	Robin Hood Gdns no 20 (old CCTV room)	39	12	27	0					
101679	Caretakers Accom	Caretaking renovation Ph 8	Sabella and Thornfield	57	26	31	0					Limehouse
	Caretakers Accom			251	184	67	0					
101257	Concrete	Barnard 1-17 Gainford 1-17 Stapleton 1-17	Rep conct.new ballustrade,asphalt,decs& pign, fed	808	792	17	0					Bethnal Green North
101614	Concrete	Mayfield concrete H&S repair	Concrete repair ext comm staircase	153	149	4	0					Bethnal Green North
130276	Concrete	Exmouth Estate concrete	H&S concrete repairs. & decs to s/cases.	913	912	1	0					St. Dunstan's & Stepney Green
130605	Concrete	Stepney Way (166-214) roof& concrete	Roof Renew&concrete rep	219	214	5	0					St. Dunstan's & Stepney Green
	Concrete Total			2,092	2,066	26	0					
101260	Decent Homes	Donegal 1-94 Sovereign 1-68 Ph 1 DH Pilot	Renew tenanted kitchen & baths (see 101726 for	1,709	114	1,555	40					Bethnal Green South
120475	Decent Homes	Trinidad Grenada Ph 1 DH Pilot	Renew tenanted kitchen & baths (see 120756 for	1,097	147	926	24					Limehouse
120644	Decent Homes	Kitchen & bathroom in Voids	Instal new Kitchen & bathroom in targeted voids	1,864	1,766	98	0					All
130905	Decent Homes	Mayo Wexford 1-36 Ph 1 DH Pilot tenanted	Renew tenanted kitchen & baths (see 130951 for	526	119	396	11					Whitechapel
	Decent Homes Total			5,196	2,146	2,975	75					
101129	Door Entry	Buckfast St 4-26(e) 07/08	Renew door entry no leaseholders	17	16	0	0					Weavers
101130	Door Entry	Litcham 1-12 d entry	Renew door entry	14	13	0	0					Mile End & Globe Town
101132	Door Entry	George Loveless door entry 08/09	Instal door entry see also 101627for Hammet	184	156	28	0					Weavers
101133	Door Entry	Tuscan Hse 1-48 d entry	Renew door entry	25	24	1	0					Mile End & Globe Town
101150	Door Entry	Jowit Hse I-8 door entry upper fl only	New Door entry	78	76	2	0					Mile End & Globe Town
101219	Door Entry	Bay Ct 7-18 d ent	Door Entry renewal-survey	11	0	11	0					Mile End & Globe Town
101220	Door Entry	Cambridge Heath Rd 88-134 d ent	Door Entry renewal-survey	32	0	31	1					Bethnal Green South
101228	Door Entry	Redmill Hse 6-25 d ent	Door Entry renewal-survey	28	27	1	0					Weavers
101229	Door Entry	Roberta St 14-24 and 44-60 d ent	Door Entry renewal-survey -not gf	16	15	1	0					Weavers
101246	Door Entry	Roberta St 2-24e d ent	Door Entry renewal-survey- not gf so only 14-24	16	16	0	0					Bethnal Green North
101294	Door Entry	Clarkson St 2-84 door entry	New door entry	29	0	27	0					Bethnal Green North
101295	Door Entry	Ellsworth 18-48e balloted	New door entry	27	0	28	1					Spitafields & Banglatown
101618	Door Entry	Brick Lane 14 flats 1-18	Instal door entry	73	72	2	0					Weavers
101627	Door Entry	James Hammett door entry	Instal door entry split from 101132	188	167	22	0					Weavers
101633	Door Entry	Casson 1-24	Renew Door entry	29	28	1	0					Spitafields & Banglatown
101634	Door Entry	Chicksand 1-70	Renew Door entry	60	56	5	0					Spitafields & Banglatown
101635	Door Entry	Greatorex	Renew Door entry	40	39	1	0					Spitafields & Banglatown
101637	Door Entry	Spelman 1-33	Renew Door entry	36	35	2	0					Spitafields & Banglatown
110464	Door Entry	Hewison St 62-85 door ent	Renew/replace door entry	61	60	1	0					Bow East
110565	Door Entry	Caxton Grove 2-24e d ent	Renew door entry following survey	13	0	13	0					Bow West
120610	Door Entry	Roche House 1-100 d ent	Door Entry renewal-survey	73	73	0	0					Limehouse
130513	Door Entry	Hilliard House 1-33	Door Entry renewal- reballot 2008	30	8	22	0					St. Katharines & Wapping
130720	Door Entry	Chalkwell/Corringham d ent	Renew d entry survey-	44	44	0	0					Shadwell
130721	Door Entry	Harriot Hse 1-48 d entry 09/10	Renew door entry	71	0	68	3					St. Dunstan's & Stepney Green
130767	Door Entry	Chamberlain & KnowldenHses	Door Entry renewal-survey	47	47	0	0					Shadwell
130771	Door Entry	Donovan Hse 1-10 d ent	Door Entry renewal-survey	15	14	1	0					Shadwell
130772	Door Entry	Edward Mann Close 1-11 plus 1-14 d ent	Door Entry renewal-survey	28	0	28	0					Shadwell
130779	Door Entry	Reardon Hse 1-68,15a 42a d ent	Door Entry renewal-survey	69	69	0	0					St. Katharines & Wapping
130780	Door Entry	SolanderGdns 21-39 d ent	Door Entry renewal-survey	29	28	1	0					Shadwell
130781	Door Entry	Solander Gdns 40-56 d ent	Door Entry renewal-survey 47-56 no gf	19	18	1	0					Shadwell

ID	Type	Scheme	Details	Grand Total	Spent Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
130782	Door Entry	Solander Gdns 79-134 d ent	Door entry renewal-survey	50	50	0	0	Shadwell
130880	Door Entry	Chancellor 1-16	Door entry feasibility/instal#	18	0	18	0	St. Katharine's & Wapping
130894	Door Entry	Flinders 1-12	Door entry feasibility/instal#	18	0	18	0	St. Katharine's & Wapping
130914	Door Entry	SolanderGdns 1-20	Door entry	37	36	1	0	Shadwell
	Door Entry Total			1,525	1,186	333	6	
101693	Doors	FED Ph 2 Wapping	Renew FED's with secure by design doors	248	0	240	8	All
110566	Doors	Alfred Est FED plus chick & avebury	Renew FED's with secure by design doors	366	226	140	0	Bow West
	Doors Total			614	226	380	8	
101078	Heating	Cuff Pt.07/08 Heating risers & plant room	Replace risers& renew plantPh 1 riserPh 2 internal	309	300	9	0	Weavers
101083	Heating	Boiler programmed replacement 2008/2	Boiler renewal programmed	1,788	1,784	4	0	All
101321	Heating	Rapley Hse 1-33 comm boiler	Communal boiler & pipework	358	1	349	9	Weavers
101657	Heating	Boiler programmed replacement 10/11 ph2	Boiler renewal programmed	2,237	1,992	245	0	All
101727	Heating	Boiler programmed replacement 10/11 Ph3	Renew boilers see 101657 for ph2	404	0	392	13	All
110543	Heating	Boiler programme 09/10	Boiler renewal programmed	1,652	1,648	4	0	All
120626	Heating	Rhodeswell Rd 86-378e Parnham St 1-12	Communal boiler & pipework&rads	303	201	95	7	Limehouse
120645	Heating	Plant Room remote monitoring upgrade Ph 1	Remote monitoring upgrade to plant rooms	25	8	17	0	All
130661	Heating	Sidney St boilersJman/KerPh1	Upgrade heat partial to full	1,224	1,223	1	0	Whitechapel
130662	Heating	SidneyStboilersJman/KerPh 2 upgrade heat	Upgrade heating partial to full - pl perm delay	1,238	1,108	130	0	Whitechapel
130708	Heating	Ansell boiler/pipework/rads	Upgrade boiler,new pipework&radiators-prt to full-	695	678	17	0	Whitechapel
	Heating Total			10,233	8,944	1,262	28	
101604	Knockthrough	KT Northesk 3/4	Knockthrough between no 3 and no 4	69	69	0	0	Bethnal Green South
101687	Knockthrough	KT Hanbury 381 into storeroom	1 x three bed into storeroom for 1 x five bed	98	19	79	0	Spitalfields & Banglatown
101694	Knockthrough	KT Greatorex 15/16	1 x3bed and 1 x2bed into 1 x5bed	65	13	53	0	Spitalfields & Banglatown
101723	Knockthrough	KT Hanbury 317 3 bed into 3 bed plus	Knockthrough 3 bed into 3 bed + storeroom	13	2	11	0	Spitalfields & Banglatown
130751	Knockthrough	KT Ansell Parn Shed Area	Knockthrough to provide 2 bed flat	63	65	-3	0	Whitechapel
130908	Knockthrough	KT Gosling 66/67	Knockthrough	65	65	0	0	Shadwell
130921	Knockthrough	KT Colverson 19	Knockthrough	40	30	10	0	Whitechapel
130928	Knockthrough	KT Gosling 2/3	Knockthrough	37	36	1	0	Shadwell
130936	Knockthrough	KT Colverson 21/22	2 x one bed into 1 x three bed	42	4	38	0	Whitechapel
130939	Knockthrough	KT Jean Pardies 4.5.6 to 1x 4bed	3x bedsits to 1x 4 bed	65	24	41	0	Whitechapel
130946	Knockthrough	KT Jean Pardies 1/2/3 3 x bedsit into 1 x 4bed	Knockthrough 3 bedsits into 1 x 4 bed	66	24	42	0	Whitechapel
130947	Knockthrough	KT Jean Pardies 9/10 2 x bedsit into 1 x 3 bed	Knockthrough 2 x bedsits to 1 x 3 bed	49	17	32	0	Whitechapel
	Knockthrough Total			671	367	304	0	
101020	Lifts	Kenton 5-20 lift gt130	Renew lift 4 person 5 storey gf 1-4	116	113	2	0	Bethnal Green South
101021	Lifts	Orion 1-75 lift bg51/52	Refurb lifts 2x8person 11 storey	288	282	6	0	Bethnal Green South
101022	Lifts	Fyder 5-24 lift gt141	Renew lift 5 storey gf 1-4	116	113	2	0	Bethnal Green South
101095	Lifts	Brabner 1-40 lift bg 3 & 4	lift renew 5 storey	296	294	1	0	Weavers
101117	Lifts	Rickman 1-16 all inc lift gt.132	Lift renew no gf props 5 storey	131	128	3	0	Bethnal Green South
101120	Lifts	Mark 1-60 lift gt 202 & 203 & 204	Lift renew 6 storey	476	464	12	0	Bethnal Green North
101143	Lifts	Eversley 1-20 lift BG 8	Renew lift 5 storey	143	142	1	0	Weavers
101146	Lifts	Lygon 6-30 lift BG 11	Renew lift 5 storey gf 1-6	132	128	4	0	Weavers
101152	Lifts	Berry Hse 1-25 lift gt46	Renew lift 5 storey gf 1-5	144	138	6	0	Bethnal Green South
101153	Lifts	Eagle Hse 1-64 lift bg 49	Renew lift 4 storey	145	144	1	0	Bethnal Green South
101668	Lifts	Yates Hse 1-64 lifts bg 19,20	Renew lifts bg19 bg20 11 storey	335	17	310	8	Weavers
110449	Lifts	Heylyn Sq 1-70 lift bow 266 & 267	Lift renew 7 storey not 1-10=gf	332	331	1	0	Bow West
110450	Lifts	Sheffield Sq 33-74 lift bow 270 & 271	Lift renew not 33-44=gf 7 storey	306	305	1	0	Bow West
110546	Lifts	Brodick Hse 1-130 lift no 303/304	Renew lift 22 storey	390	351	27	12	Bow East
110547	Lifts	Guerin Sq 1-6, 23-28 lift no bow 265	Renew lift bow 265 5 storey	132	130	3	0	Bow West
120590	Lifts	Kiln Ct 1-63 lift pop 694	Lift renew not 1-24=gf 7 storey	156	155	1	0	Limehouse
120591	Lifts	Oast 1-42 lift pop 697	Lift renew 7 storey	146	145	1	0	Limehouse
120592	Lifts	Bethlehem 1-24 lift pop 740	Lift renew not 1-6 = gf 5 storey	142	139	3	0	Limehouse
130462	Lifts	Moore 1-30 Vogler Hse 1-24 lift wap732	Lift Renewal WAP 732 6 storey	139	134	3	0	Shadwell

ID	Type	Scheme	Details	Grand Total	Spend Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
130712	Lifts	Welstead 9-16 19-26 lift 716 (7-16) & 717 (19-	Lift renew 7,8,17,18, = gf 5 storey	303	295	8	0	Whitechapel
130759	Lifts	Hanson Hse 1-20 lift Wap 711	Renew 4 person lift (delay-discussion over larger lift)	153	12	113	28	Whitechapel
130760	Lifts	Danvers Hse 1-12 lift Wap 705	Renew 4 person lift 4 storey (delay-discussion over	153	12	113	28	Whitechapel
130761	Lifts	Batson Hse 1-10, 12-35 lift Wap 704	Renew lift 5 storey	145	143	1	0	Whitechapel
130832	Lifts	Ansell 1-22(1) 23-76(2) 77-98(1) lift427/8/9/430	Renew lifts 6 and 8 storey lift427/8/9/30	776	30	662	85	Whitechapel
	Lifts Total			5,595	4,144	1,287	162	
100566	Refurb - Multi Element	George Loveless James Hammatt concrete	Concrete & window repair,ext decs&bin chambers	4,725	4,508	148	69	Weavers
100608	Refurb - Multi Element	Abingdon & Benson Houses	Refurbishment	2,324	2,116	208	0	Weavers
100623	Refurb - Multi Element	Sulkin & Trevelyan Hses	Structural&roof (& new lift Sul)	3,238	3,238	0	0	Mile End & Globe Town
100689	Refurb - Multi Element	Florida2-40 Gossett 100-134e Roberta2-60e	Concrete reps, new windows and decs	915	876	40	0	Weavers
101014	Refurb - Multi Element	Sulkin & Trevelyan	New Gatehouses, tenant FED's & some screens -	176	56	120	0	Mile End & Globe Town
101016	Refurb - Multi Element	Eagle house	Roof & Window, concrete & ex decs & asbst enabling	1,063	1,030	33	0	Bethnal Green South
101027	Refurb - Multi Element	Clarkson2-48e,Elisworth St11-55018-48e	Roof & Concrete Repairs,asphalt,decs& pigeon proof	1,081	1,071	11	0	Bethnal Green North
101180	Refurb - Multi Element	Modling House (1-52)	H & S Works to Staircase Landings	38	37	1	0	Mile End & Globe Town
101353	Refurb - Multi Element	Clifton 1-43Molisey 1-15Wargrave 1-35	Repair walls, windows reasphalt balc, ext&com decs, restore short life to full letting	1,629	1,537	56	36	Weavers
101499	Refurb - Multi Element	Old Ford Road 99	Window renew/decs Kemp's Dr Saltwell St	47	53	-6	0	Mile End & Globe Town
120736	Refurb - Multi Element	Kemps Saltwell tenanted houses -window etc	Canopy renewal, staircase & ext decs +ctyard	150	145	4	0	Limehouse
130339	Refurb - Multi Element	Wainwright House 1-15	New ground floor extension	165	116	19	30	St. Katharine's & Wapping
130752	Refurb - Multi Element	Stepney Green(68) ot works	New carpark , Toddlers play area	92	95	0	0	St. Dunstan's & Stepney Green
130787	Refurb - Multi Element	Martineau3 - Gosling Donovan Chamberlain	conversion	496	495	1	0	Shadwell
130927	Refurb - Multi Element	Newton tra	Pilot Bin enclosures	51	13	37	0	Shadwell
130938	Refurb - Multi Element	Bin enclosure PILOT- Berner		17	17	0	0	Whitechapel
	Refurb - Multi Element			16,207	15,400	672	135	
101101	Rewire - Communal	Offenbach r&l lights	Rewire - r&l and lights	120	118	2	0	Mile End & Globe Town
101203	Rewire - Communal	Eagle House 1-64 r&l & lights	Rewire - R&L lights	114	113	1	0	Bethnal Green South
101213	Rewire - Communal	Orion 1-75 r&l & lights	Rewire - R&L	133	131	1	0	Bethnal Green South
101385	Rewire - Communal	Westbrook 1-39 r&l & llords	Rewire r&l and landlords	53	0	49	4	Mile End & Globe Town
101387	Rewire - Communal	Benn 1-8 r&l & llords	Rewire r&l and landlords	15	0	14	0	Weavers
101389	Rewire - Communal	Cheylesmore 1-8 r&l & lights	Rewire r&l and lights	14	0	15	0	Weavers
101391	Rewire - Communal	Crew 1-8 r&l & lights	Rewire r&l and lights	14	0	14	0	Weavers
101393	Rewire - Communal	Dence1-24 r&l & lights	Rewire r&l and lights	44	0	42	2	Weavers
101395	Rewire - Communal	Dickinson 1-16 r&l & lights	Rewire r&l and lights	26	0	26	0	Weavers
101397	Rewire - Communal	Gillett 1-8 r&l & llords	Rewire r&l and landlords	14	0	14	0	Weavers
101399	Rewire - Communal	Hume 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101401	Rewire - Communal	Hutton 1-16 r&l & llords	Rewire r&l and landlords	26	0	26	0	Weavers
101403	Rewire - Communal	Jackson 1-8 r&l & llords	Rewire r&l and landlords	15	0	15	0	Weavers
101407	Rewire - Communal	McDougall 1-8 r&l & llords	Rewire r&l and landlords	26	0	26	0	Weavers
101409	Rewire - Communal	McKinnonwood 1-16 r&l & llords	Rewire r&l and landlords	15	0	15	0	Weavers
101411	Rewire - Communal	Monkbretton 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101413	Rewire - Communal	Monkswell 1-8 r&l & llords	Rewire r&l and landlords	14	0	14	0	Weavers
101415	Rewire - Communal	Onslow 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101417	Rewire - Communal	Sanger 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101419	Rewire - Communal	Simmons 1-16 r&l & llords	Rewire r&l and landlords	26	1	25	0	Weavers
101421	Rewire - Communal	Snell 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101423	Rewire - Communal	Spicer 1-8 r&l & llords	Rewire r&l and landlords	14	0	14	0	Weavers
101425	Rewire - Communal	Swinton 1-16 r&l & llords	Rewire r&l and landlords	24	0	24	0	Weavers
101427	Rewire - Communal	Torrance 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101432	Rewire - Communal	Warburg 1-8 r&l & llords	Rewire r&l and landlords	13	0	13	0	Weavers
101438	Rewire - Communal	Pepys 1-12 13-38 r&l	Rewire r&l and lights	61	0	57	4	Mile End & Globe Town
101440	Rewire - Communal	Stuart Hse 1-8 r&l	Rewire r&l and lights	14	0	14	0	Weavers
101448	Rewire - Communal	Speakman 1-8 r&l	Rewire r&l and lights	14	0	14	0	Weavers
101448	Rewire - Communal	Karslake 1-8 r&l	Rewire r&l and lights	14	0	14	0	Weavers

ID	Type	Scheme	Details	Grand Total	Spend Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
101454	Rewire - Communal	Evesham Hses 1-24 r&l	Rewire r&l and lights	39	0	37	2	Mile End & Globe Town
101456	Rewire - Communal	Culpin 1-8 r&l	Rewire r&l and lights	14	0	14	0	Weavers
101458	Rewire - Communal	Cobb 1-8 r&l	Rewire r&l and lights	14	0	14	0	Weavers
101464	Rewire - Communal	Firth 1-24 r&l	Rewire r&l and lights	40	0	40	0	Weavers
101501	Rewire - Communal	George Loveless landlords plus R&L added	Rewire - landlords plus R&L added 2/2/09	256	242	14	0	Weavers
101502	Rewire - Communal	James Hammett landlords plus r&l	Rewire - landlords plus r&l added 02/02/09	256	240	15	0	Weavers
101514	Rewire - Communal	Massingham St 1-39 lights only	Rewire - lights	15	15	0	0	Mile End & Globe Town
101531	Rewire - Communal	Thomas Hollywood 1-47 r&l	Rewire - r&l and lights	119	1	111	7	Bethnal Green North
101654	Rewire - Communal	Horwood Est lighting	Renew est and comm light NewcourtNordenHorwood	77	77	0	0	Bethnal Green South
101724	Rewire - Communal	Cadogan 1-8 landlord	Rewire landlords lights	7	0	7	0	Weavers
120651	Rewire - Communal	Padstow 1-79;r&l and lights	Rewire - r&l and lights	106	0	105	1	Limehouse
120661	Rewire - Communal	Saunders Close 1-18 r&l	Rewire - r&l and lights	37	0	36	1	Limehouse
130785	Rewire - Communal	Troon H&S elec after fire damage	Rewire - R&L	22	13	10	0	St. Dunstan's & Stepney Green
130823	Rewire - Communal	Bridgen 1-15 r&l and lights	Rewire - r&l and lights	36	34	1	0	Whitechapel
	Rewire - Communal			1,938	986	930	22	
101206	Rewire - Dwellings	Fremantle 1-38 dwe	Rewire - dwelling & smoke	26	25	1	0	Bethnal Green South
101208	Rewire - Dwellings	Headlam St 2-36 dwe	Rewire - dwelling & smoke	9	8	1	0	Bethnal Green South
101210	Rewire - Dwellings	Pellew 1-38 (35)dwe	Rewire - dwelling & smoke	33	18	15	0	Bethnal Green South
101218	Rewire - Dwellings	Heathpool Ct 1-45 dwe	Rewire dwellings & smoke	31	30	1	0	Bethnal Green South
101244	Rewire - Dwellings	Treves 1-18 dwe	Rewire - dwelling & smoke	11	6	5	0	Bethnal Green South
101406	Rewire - Dwellings	McDougall 1-8 dwe	Rewire dwelling	6	3	2	0	Weavers
101418	Rewire - Dwellings	Simmons 1-16 dwe	Rewire dwelling	27	21	6	0	Weavers
101424	Rewire - Dwellings	Swinton 1-16 dwe	Rewire dwelling	22	17	5	0	Weavers
101433	Rewire - Dwellings	Wellington Row 68-126e dwe	Rewire dwellings	45	39	5	0	Weavers
101435	Rewire - Dwellings	Tillett Way 1-25 dwe	Rewire dwellings & smoke	31	30	1	0	Weavers
101441	Rewire - Dwellings	Pakenham 1-40 dwe	Rewire dwellings & smoke	21	21	0	0	Weavers
101443	Rewire - Dwellings	Lygon 1-30 dwe ? Poss done 2003	Rewire dwellings & smoke if reqd after survey	17	16	1	0	Weavers
101465	Rewire - Dwellings	Buckfast St 4-26(e) dwe	Rewire dwe & smoke	18	18	1	0	Weavers
101486	Rewire - Dwellings	Ramsey St 2-96 dwe	Rewire - dwe & smoke	63	62	1	0	Weavers
101490	Rewire - Dwellings	Derbyshire St 2-24(e) dwe	Rewire - dwe & smoke	14	12	1	0	Weavers
101509	Rewire - Dwellings	Litcham 1-12 dwe	Rewire - dwelling & smoke	5	5	0	0	Mile End & Globe Town
101512	Rewire - Dwellings	Longon 2-108 e dwe	Rewire - dwelling & smoke	50	48	1	0	Mile End & Globe Town
101518	Rewire - Dwellings	Ravenscroft St 13-27b dwe	Rewire - dwe & smoke	21	21	0	0	Weavers
101520	Rewire - Dwellings	Raynham 1-75 dwe	Rewire - dwe & smoke	113	108	5	0	Mile End & Globe Town
101522	Rewire - Dwellings	Russia Lane 2-80 dwe&smoke	Rewire - dwe & smoke	44	44	1	0	Bethnal Green North
101527	Rewire - Dwellings	Stayners Rd 1-31 dwe & smk	Rewire - dwe & smoke	14	6	8	0	Bethnal Green South
101545	Rewire - Dwellings	Harpley Sq 1-96	Rewire - dwe & smoke	82	80	1	0	Mile End & Globe Town
101559	Rewire - Dwellings	Walter Bessant 1-40	Rewire - dwe & smoke	34	33	1	0	Mile End & Globe Town
101577	Rewire - Dwellings	Boyton Ols 41-71	Rewire - dwe & smoke	9	7	2	0	Bethnal Green South
101692	Rewire - Dwellings	Emergency Rewire referrals	rewire	101	20	81	0	All
120631	Rewire - Dwellings	Britley 1-32 dwe	Rewire dwe	45	35	9	0	Limehouse
120646	Rewire - Dwellings	Rhodeswell 86-378 dwe	Rewire - dwe & smoke	153	152	2	0	Limehouse
120648	Rewire - Dwellings	Joseph Irwin 1-30 dwe & smk	Rewire - dwe & smoke	36	35	1	0	Limehouse
120650	Rewire - Dwellings	Padstow 1-79 dwe & smk	Rewire - dwe & smoke	70	69	2	0	Limehouse
120652	Rewire - Dwellings	Roche 1-100 dwe & smk	Rewire - dwe & smoke	104	104	1	0	Limehouse
120654	Rewire - Dwellings	West India 1-31 dwe & smk	Rewire - dwe & smoke	41	40	1	0	Limehouse
120656	Rewire - Dwellings	Bethlehem 1-8,10-30 dwe	Rewire - dwe & smoke	31	30	1	0	Limehouse
120660	Rewire - Dwellings	Saunders Close dwe 1-18	Rewire - dwe	20	18	2	0	Limehouse
120670	Rewire - Dwellings	Commodore 1-24 dwe & smk	Rewire - dwe & smoke	44	44	0	0	Blackwall & Cubitt Town
120672	Rewire - Dwellings	Morant St 51-79 o dwe&smoke	Rewire - dwe & smoke	16	13	3	0	Limehouse
120674	Rewire - Dwellings	Saltwell 4-26, 52-86 e dwe & smoke	Rewire - dwe & smoke	32	30	2	0	Limehouse
120678	Rewire - Dwellings	Arborfield Hse 1-21 22-33 dwe & smk	Rewire - dwe & smoke	36	35	1	0	Limehouse

ID	Type	Scheme	Details	Grand Total	Spent Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
120680	Rewire - Dwellings	Dora Hse 1-25 dwel & smk	Rewire - dwel & smoke	24	24	0	0	Limehouse
120684	Rewire - Dwellings	East India Bldgs 1-9,14-37 dwel&smk	Rewire - dwel & smoke	31	30	1	0	Blackwall & Cubitt Town
	Rewire - Dwellings Total			1,530	1,357	173	0	
101667	Roads/Paving	Paving 10/11	Renew paving as identified by survey	289	0	289	0	All
101674	Roads/Paving	Paving 9/10	Renew paving as identified by survey	448	438	10	0	All
	Roads/Paving Total			737	438	299	0	
100990	Roofing	Donnegal House(1-94), Sovereign House(1-68)	roof renewal	338	330	7	0	Bethnal Green South
101367	Roofing	Key Close 1-6 7-20 21-34 roof & decs	roof & decorations	288	282	6	0	Bethnal Green South
101587	Roofing	Somerford St 47&48	Renew flat roof, windows,doors & concrete repair#	64	63	1	0	Bethnal Green South
120511	Roofing	Pinfield Close	Flat roof renewal	80	79	1	0	Limehouse
120513	Roofing	Kemps 1-31o Pennyfields	Roof renewal combine with 120722 canopy	251	245	5	0	Limehouse
130691	Roofing	Crofts St(41) & White Horse Lane(62)	roof renewal	28	26	2	0	St. Katharine's & Wapping
130728	Roofing	Beechy,Chancellor,Frobisher Houses	Roof renew,repainting,asphalt,balustrades.	1,126	1,119	7	0	St. Katharine's & Wapping
130729	Roofing	FlindersP'arryWilloughbyFennerVancouver	Roof renewl & Repointing-spalling to com stair & w	1,636	1,589	47	0	St. Katharine's & Wapping
	Roofing Total			3,811	3,733	77	0	
100981	TV Aerials	TV Aerials alogue to IRS Ph5 05/06	TV Aerials	343	335	7	0	All
101067	TV Aerials	TV Aerials alogue to IRS Ph8 07/08	TV Aerials	995	956	39	0	All
101068	TV Aerials	TV Aerials alogue to IRS Ph9 08/09	Aerials to digital	1,107	971	135	0	All
101069	TV Aerials	TV Aerials alogue to IRS Ph10 09/10	Aerials to digital and skyplus and hd	961	805	156	0	All
	TV Aerials Total			3,406	3,067	338	0	
101071	Ventilation	Ext Fans/Mech vents 07/08comm	Returb communal ext fans Ph 4 survey and some	228	227	1	0	All
101072	Ventilation	Ext Fans/Mech vents 08/09 Ph5.2 with lhold notif	Returb communal ext fans,grills,ducts plant	133	129	5	0	All
101073	Ventilation	Ext Fans/Mech vents 09/10 10/11 comm	Returb communal ext fans Ph 6 see 101688	242	92	150	0	All
101647	Ventilation	Ext Fans/Mech vents 08/09 Ph5.1 no lhold notif	Communal Ext fans,ducts,grills plant update	97	96	1	0	All
130748	Ventilation	Siege House H&S ventilation	Communal Ventilation Repairs	32	31	1	0	Whitechapel
	Ventilation Total			733	574	159	0	
101007	Water Supply	Hanbury St 225-347, 355-395 boosted	Boosted water instal & plant room to 6 storey blocks	77	2	73	2	Spitalfields & Banglatown
101012	Water Supply	Bradley Lynch boosted	Boosted water renew - tracing problem	27	0	27	1	Mile End & Globe Town
101044	Water Supply	Cleeve Hse boosted	Boosted water instal	57	5	51	0	Weavers
101047	Water Supply	Rapley Hse boosted	Boosted water instal	106	88	18	0	Weavers
101125	Water Supply	ClelandGoodrichKempPiggott boosted	Boosted water plant room build	114	111	2	0	Bethnal Green North
101167	Water Supply	Fyder (2) internal water supply	Internal water supply pipes	98	96	2	0	Bethnal Green South
101174	Water Supply	Barbanel (12) internal water supply	Internal water supply pipes	98	85	13	0	Bethnal Green South
101175	Water Supply	Slothard (11) 1-30 internal water supply	Internal water supply pipes	99	97	2	0	Bethnal Green South
101176	Water Supply	Reddyf (10) internal water supply	Internal water supply pipes	98	95	2	0	Bethnal Green South
101177	Water Supply	Braintree (6) internal water supply	Internal water supply pipes	139	136	3	0	Bethnal Green South
101178	Water Supply	Doveton (9) internal water supply	Internal water supply pipes	94	91	3	0	Bethnal Green South
101179	Water Supply	Wickford (8) internal water supply	Internal water supply pipes	134	130	4	0	Bethnal Green South
101671	Water Supply	Wellington boosted (Ponsonby/Maitland 26-65)	Instal boosted water -Ponsonby & Maitland	108	107	1	0	Limehouse
101686	Water Supply	Turin Est East water main	Instal new water main and pipes to all blocks	69	67	2	0	Weavers
101725	Water Supply	Wellington (Colville,Haiket,Maitland 1-25)	Boosted water join to existing system	31	0	30	1	Limehouse
101733	Water Supply	Orion boosted water urgent H&S	Renew boosted plant after flood damage	17	0	17	0	Bethnal Green South
120601	Water Supply	Brewster boosted 09/10	Boosted water	18	0	18	0	Limehouse
120731	Water Supply	Redbourne Hse boosted	Renew boosted water	65	63	2	0	Limehouse
120737	Water Supply	Gatwick boosted	Instal boosted water from 272 allocation	69	67	2	0	Limehouse
130665	Water Supply	Gosling boosted	Boosted water instal	113	112	1	0	Shadwell
	Water Supply Total			1,631	1,353	274	5	
101690	Water Tanks	Cold water tank removal	remove CW tanks where comm system	191	183	8	0	All
120638	Water Tanks	Water tank 09/10	Renew communal tanks	279	79	200	0	All
130919	Water Tanks	Addis Hse 1-8	Renew water tanks drawn from 272 alloc	4	4	0	0	Whitechapel
	Water Tanks Total			475	266	208	0	
100565	Windows	Heathpool Ct 1-45	Window renewal & Concrete Repairs&ex decs	818	815	3	0	Bethnal Green South

ID	Type	Scheme	Details	Grand Total	Spend Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
100585	Windows	Wingfield House -	Roof & Window renewal	280	278	1	0	Weavers
100651	Windows	Ebenezer Mussel House	Window renewal	270	269	1	0	Bethnal Green North
100666	Windows	James Docherty House	Window renewal, concrete & ex decs	465	464	1	0	Bethnal Green North
100685	Windows	Ramsey St 2-96, 98-128 Derbyshire2-24	Window renewal & ext decs	642	627	15	0	Weavers
100771	Windows	Moody Street 38-42, 48-52	Window renewal	100	99	0	0	Mile End & Globe Town
110436	Windows	Bracken House	Window Renewal /refurb& Decs & drainage	627	226	373	28	Bromley By Bow
110462	Windows	Trellis Sq 3 blocks-	Renew windows & asst decs asphalt&pipework	484	499	-15	0	Bow West
110466	Windows	Whitton Walk 21-38,57-70,71-84,85-98	Renew windows	595	584	11	0	Bow West
110467	Windows	Sheffield Sq 1-8,25-32;9-24	Renew windows & decs at two 4 storey blks	283	273	11	0	Bow West
110551	Windows	Annie Besant Cl hses(x13)	Renew windows-split in 2schs - 1 flats & 1 houses	169	164	5	0	Bow East
110555	Windows	Annie Besant flats 36,37 a-f	Renew windows to flats	89	87	2	0	Bow East
120723	Windows	Cottage St 15-1190 & 94-100 even	Renew steel single glz windows & concrete repairs	569	0	552	17	Limehouse
130731	Windows	Lipton 1-20 21-61 Billing,Dowson1-15CommRd	Window Renew, Concrete Rep&ex decs Ph3 wikway	2,052	306	982	764	Shadwell
Windows Total				7,443	4,691	1,942	810	
Grand Total				64,087	51,128	11,707	1,250	

ID	Type	Scheme	Details	Grand Total	Spend Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward

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Appendix B
Housing Investment Programme 2010-11
Tower Hamlets Homes Proposed Priority Schemes

ID	Type	Scheme	Details	Grand Total	Spend Prior to 31/03/10	Estimate 2010/11	Estimate 2011/12	Ward
				£ 000's	£ 000's	£ 000's	£ 000's	
100569	Decent Homes	Lister Treves Ph 1 DH Pilot tenanted kb's	Renew tenanted kitchens & baths (see 100569 for Phase 2 External works windows, concrete, decs (see Windows/Ext.Repairs/ Roof/decs plus External refurbishment (see 120475 for ph1) Ph 2 Windows/Ext Repairs/Roof/Decs refurb (see Door entry renewal#	717	222	483	12	Bethnal Green North
101726	Decent Homes	Donegal and Sovereign Ph 2 DH Pilot External	Phase 2 External works windows, concrete, decs (see Windows/Ext.Repairs/ Roof/decs plus External refurbishment (see 120475 for ph1) Ph 2 Windows/Ext Repairs/Roof/Decs refurb (see Door entry renewal#	3,355	0	1,650	1,525	Bethnal Green South
101738	Decent Homes	Lister 1-34 Treves 1-18 Ph2 DH Pilot(see Ph 2 DH Pilot	External refurbishment (see 120475 for ph1) Ph 2 Windows/Ext Repairs/Roof/Decs refurb (see Door entry renewal#	1,924	0	110	1,764	Bethnal Green South
120756	Decent Homes	Trinidad Grenada Ph 2 DH Pilot	External refurbishment (see 120475 for ph1) Ph 2 Windows/Ext Repairs/Roof/Decs refurb (see Door entry renewal#	1,443	0	1,029	378	Limehouse
130951	Decent Homes	Mayo Wexford Ph 2 DH Pilot External	Ph 2 Windows/Ext Repairs/Roof/Decs refurb (see Door entry renewal#	935	0	770	165	Whitechapel
101603	Door Entry	Mulberry 1-40	Door entry renewal#	30	0	29	1	Mile End & Globe Town
110539	Door Entry	Whitton Walk add all blks -1-95 Lawrence CI 30-	Door Entry renewal#39-56 to cab only	173	0	167	5	Bow West
110572	Door Entry	Devons Road 250-296 added to prog 3 feb 10	Door entry	35	0	33	2	Bromley By Bow
120597	Door Entry	Malling 1-56 d entry	Renew door entry- ballot	66	0	64	2	Limehouse
120608	Door Entry	East India Bldgs 1-9 14-37 d ent	Door Entry renewal-survey	57	0	56	1	Blackwall & Cubitt Town
120734	Door Entry	Abbot Hse 1-18	Instal door entry	37	0	36	1	Limehouse
130935	Refurb - Multi Element	Pilot Blue Anchor 1/2, Royal Mint Place 19-22 23	Pilot blocks from scheme 130676 (same tot value)	295	0	283	12	St. Katherine's & Wapping
120617	Roofing	Carmichael roof, Carmichael/Commodore	Car roof(ph1)/Car Com conc, asphalt & decs(Ph2)	551	2	527	22	Blackwall & Cubitt Town
101616	Water Supply	Bentworth Ct boosted water front of building	Renew boosted water	19	0	19	0	Weavers
101617	Water Supply	Bentworth boosted water rear of building	Renew boosted water -drawn from101252	21	0	21	0	Weavers
10469	Windows	Ambrose Wk 1-17,18-31,32-45Creswick Wk1-	Renew windows & decs and r&l combine with	1,195	5	737	453	Bow West
10563	Windows	Armagh/Old Ford Rd windows to tenanted hses	Renew windows to tenanted hses	175	0	172	3	Bow East
10747	Windows	East Arbour St tenanted hses	Renew windows & decs in tenanted hses	67	0	66	1	Limehouse
Uncommitted Priority 1 Schemes				11,095	229	6,253	4,347	
1100	Concrete	Holman House concrete	Concrete investigation/remedial work roof & window	193	2	60	130	Mile End & Globe Town
101731	Heating	Boiler Prog 10/11 Ph 4	Renew boiler	446	0	435	11	All
130736	Refurb - Multi Element	Colet Flats (1-6) roof & brickwork plus h&s	Renew roof & spalling brickwork and retaining wall	106	0	100	5	St. Dunstan's & Stepney Green
101366	Refurb - Multi Element	Barnsley St 30-52 Headlam St 2-36	roof windows decs	602	2	300	285	Bethnal Green South
130789	Roofing	Corringham Hse 1-28 Chalkwell 1-12, Pitsea1-	Renew roof & windows	520	20	250	250	Shadwell
110468	Windows	Devons Rd 226-248e, 250-296e	Renew windows & sound attenuation. Poss roof x1	542	0	449	94	Bromley By Bow
Uncommitted Priority 2 Schemes				2,409	24	1,594	775	
Grand Total - Schemes				13,503	253	7,847	5,122	

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Appendix C
Housing Investment Programme 2010-11

Summary Analysis of Committed and THH Proposed Priority Schemes by Category

	2010-11			2011-12			Grand Total
	Committed Schemes / Retentions (Appendix A) £,000	Uncommitted THH Proposed Priority Schemes (Appendix B) £,000	Total £,000	Committed Schemes / Retentions (Appendix A) £,000	Uncommitted THH Proposed Priority Schemes (Appendix B) £,000	Total £,000	£,000
Caretakers Accommodation	67	0	67	0	0	0	67
Concrete Works	26	60	86	0	130	130	216
Decent Homes	2,975	4,042	7,017	75	3,844	3,919	10,936
Doors / Door Entry	713	386	1,099	14	12	26	1,125
Heating	1,262	435	1,697	28	11	39	1,736
Lifts	1,287	0	1,287	162	0	162	1,449
Refurbishment / Knockthroughs	976	683	1,659	135	303	438	2,097
Rewiring - Communal / Dwellings	1,103	0	1,103	22	0	22	1,125
Roads / Paving	299	0	299	0	0	0	299
Roofing	77	777	854	0	272	272	1,126
TV Aerials	338	0	338	0	0	0	338
Ventilation	159	0	159	0	0	0	159
Water Supply / Tanks	482	40	522	5	0	5	527
Windows	1,943	1,423	3,366	809	550	1,359	4,725
	11,707	7,846	19,553	1,250	5,122	6,372	25,925

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Appendix D

Location	Unit No's	Works Cost
Pauline House	53	£699,600
1-60 Colverson House	40	£517,200
1 - 19 Becket House	16	£206,900
1, 3-40 Jarman House	21	£271,600
1-19 Wingrad house	19	£245,700
1-24 Armsby House	8	£103,400
		£2,044,400

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Agenda Item 6.3

Committee/Meeting: Cabinet	Date: 8 th September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Aman Dalvi Originating officer(s) Sian Pipe		Title: Carbon Reduction Commitment (CRC) Energy Efficiency Scheme Wards Affected: All	

Lead Member	Councillor David Edgar, Lead Member Resources
Community Plan Theme	A Great Place to Live / A Prosperous Community
Strategic Priority	

1. **SUMMARY**

- 1.1 This report serves to inform members about the Council's mandatory participation in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Note the obligation placed on it by the CRC Energy Efficiency Scheme, note the steps taken and potential risks.

3. **REASONS FOR THE DECISIONS**

- 3.1 Cabinet is asked only to note the information provided in the report, which relates to a scheme that is mandatory under the Climate Change Act 2008.

4. **ALTERNATIVE OPTIONS**

- 4.1 No alternative options are presented, as the report only provides information about a mandatory scheme.

5. **BACKGROUND**

- 5.1 The CRC Energy Efficiency Scheme is an obligatory emissions trading scheme covering defined public and private sector organisations, and is a central part of the UK's strategy to deliver the emission reduction targets set in the Climate Change Act 2008. Qualification for the scheme took place in 2008 and registration takes place from April – September 2010. Failure to register carries civil penalties of £5,000 + £500 per working day (top limits apply), several other substantial fines are also applicable.
- 5.2 The Council has a legal obligation to participate in the scheme and to take responsibility for state funded schools. This means that all council operations are included, e.g. administrative offices, social care homes. It also includes landlord tenant relationships and may extend to certain PFI and joint ventures.
- 5.3 Success within the scheme is dependent on a league table position, therefore reducing carbon emissions and improving energy efficiency are essential, not just in the 'energy manager' domain, but facilities management, schools, investment in energy administration and infrastructure. The cooperation of all directorates is essential to effectively meet the terms of the scheme and ensure full compliance.
- 5.4 Basic compliance with CRC, is largely an administrative overhead (i.e. process). However, to do well and benefit from energy saving a cross council cultural and management approach would be required. The Local Authority Carbon Management Board is overseeing a number of carbon/energy reduction projects. These projects have both cost reduction and carbon saving implications that will enable the Council to meet its obligations under the CRC Energy Efficiency Scheme.
- 5.5 The Council has a number of energy and carbon reduction projects which have been implemented or are ongoing and some in need of investigation, defining and funding. These are shown in the table below.

Project Description	Comments	Timescale	CO₂ savings/year (tonnes)
Improving Energy Monitoring	Identify directorate champions to be responsible achieving reduction targets	By March 2011	Not defined as yet
The Big Switch Off	Staff awareness campaign	In progress	340
Albert Jacobs House – Voltage Optimiser	Achieving electricity and carbon savings	Installation April 2010	30
Parks operational buildings	Draft proofing, energy efficiency	2010/11	24

	measures, insulation		
Automatic meter reading equipment	To be installed across the estate to promote accurate billing and energy monitoring	Gas AMR installation complete. Electricity AMR started phase 1	Can be defined after first year of operation
Utility company feed-in tariff for council buildings & schools	Energy companies to donate and install renewable energy technologies (solar thermal, photovoltaic panels) the site benefits from renewables and energy company from the Feed-in-Tariff	Investigation and site identification in progress	

6. **THE SCHEME**

- 6.1 The CRC Energy Efficiency Scheme is a mandatory scheme and has implications of fines for non compliance, initial set up costs, budget uncertainty and reputation. The Council has a programme of Automatic Meter Reading (AMR) equipment installation in progress and an excellent data capture mechanism in place. Energy efficiency and carbon reduction projects are in place throughout the borough to begin the energy reduction, such as the voltage optimiser at Albert Jacobs House.
- 6.2 In the introductory phase the Council must estimate how much carbon it will use in the first year and then purchase allowances to that level. Later in that financial year, actual performance against that original estimate will be ascertained and a 'recycled' payment made back to the Council. If usage is lower than estimated then the recycle payment will be greater than the original amount paid into the scheme. If performance is worse then the opposite will be true.
- 6.3 For the first years of the scheme the price of carbon allowances will be fixed at £12 per tCO₂. The total cost to the Council of allowances is estimated at £442,620, based on an estimated baseline of 36,885 tonnes of CO₂.
- 6.4 The usage by directorate is estimated as shown in the table below.

Directorate	Percentage Share (%)	Baseline Usage (tCO₂)	Cost (Year 1) (£)
Adult's Health & Wellbeing	2.07	764	9,168
Communities, Localities & Culture	24.66	9,094	109,128
Children, Schools & Families	48.60	17,925	215,100
Development & Renewal	3.91	1,444	17,328
Resources	20.76	7,658	91,896
Council Total	100.00	36,885	442,620

6.5 The repayment to the Council will be dependent upon performance against the estimated usage for the year. It should be noted that in the first three years of the project repayments will be capped at +/- 10%, +/- 20% and +/- 50% respectively.

6.6 The recycled payments that the Authority will receive in the first three years of the scheme will therefore fall within the following parameters :-

Emissions year	Payment	Recycled payment received best case	Gain	Recycled payment received worst case	Loss
2011	£442,600	£486,882	£44,282	£398,358	(£44,242)
2012	£442,600	£531,144	£88,544	£354,096	(£88,544)
2013	£442,600	£663,930	£221,330	£221,310	(£221,330)

- 6.7 Participants' position in the league table will not only depend on how they score in the performance matrix but it will also depend on relative performance against other participants. It is therefore possible to be bottom of the league table even if emission reductions have been achieved. Nevertheless, there will be cost benefits as a result of the energy saved.
- 6.8 The Carbon Trust estimate £150 saving in electricity costs for every tonne of CO₂ saved. This cost saving far outweighs the financial incentives associated with revenue recycling even if the maximum bonus/penalty factor +/- 50% is used.
- 6.9 In the Government's annual energy statement, presented on July 27th 2010, under the section 'Helping business and industry use energy more efficiently', it was stated that 'The introduction of CRC has already increased attention on energy efficiency amongst the target group of large energy users and there are emerging signs of the financial and reputational drivers influencing participants' behaviour. We will keep the operation of this scheme under active review with a particular eye on simplifying it and ensuring it properly incentivises those who do most to improve energy efficiency. We aim to introduce changes ahead of the capped phase.'
- 6.10 Further information on the scheme can be downloaded from:
www.environment-agency.gov.uk

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 The CRC Energy Efficiency scheme is an obligatory emissions trading scheme covering defined public and private organisations.
- 7.2 Paragraph 5.1 of the report indicates that there are financial penalties for non-registration of £ 5,000 plus £ 500 per working day. The Authority is stage 1 registered but will need to register fully for the scheme by September 30th 2010 in order to avoid incurring those charges.
- 7.3 The scheme operates by purchasing carbon allowances at an initial rate (applicable during the first three years of the scheme) of £ 12 per carbon tonne. The Energy team has calculated that the Authority will require 36,885 tonnes giving a cost of £ 442,620, as shown in the table in paragraph 6.4. This amount will be payable on the 1st April 2011.
- 7.4 Interim results will be analysed and a recycling payment will be due to the Authority on 1st October 2011 based on performance against the estimated consumption of 36,885 tonnes. The possible range of refunded payments is set out in the table in paragraph 6.6 of the report. It can be seen that, in 2011/12 the repayment will be capped at +/- 10% of the original payment. In 2012/13 this will become +/- 20% and in 2013/14 +/- 50%.
- 7.5 It should be recognised that there is a cash-flow issue in that a carbon payment will be payable on 1st April of each year with the re-cycling payment

not coming back until 1st October. The initial payment will need to be financed from available cash reserves. It should also be noted that an element of risk is involved in that, if the Authority does not purchase enough units, then the re-cycling payment will be less than the payment made at the beginning of the year. In that event, the deficit would need to be funded from within the Council's General Fund budget. This issue has been highlighted in reports to Members on the Council's budget and will need to be dealt with as a financial risk in setting the 2011/12 – 2013/14 budget.

- 7.6 The financial outflows for the first three years of the scheme are estimated and based on information held by the Energy Team. They are deemed to be constant for the first three years although payments for the second and third year of the scheme will be revised dependent on actual performance nearer the time. Maximum and minimum payments (based on the estimated payments) are set out in Paragraph 6.6 above although it should be noted that those figures assume that all aspects of the scheme are complied with.
- 7.7 Various financial penalties and risks are associated with this project. These are laid out in Section 11 and will be managed through the arrangements set out in paragraph 11.3. If any penalties are incurred they will be in addition to the figures laid out in Paragraph 6.6 above, but these can be avoided through appropriate management.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1. The report informs Cabinet about the CRC Energy Efficiency Scheme made under the Climate Change Act 2008. The detail of the Scheme is contained in the CRC Energy Efficiency Scheme Order 2010, which came into effect in March 2010. As a relevant public body, the Council is required to register as a participant in the Scheme. The Environment Agency administers the scheme in England and may take enforcement action if a person fails to comply with a requirement of the Order.
- 8.2. There will be a need for the Council to take care when awarding contracts to external providers to ensure that they appropriately reflect the Council's energy efficiency objectives. There may be a need to review the Council's procurement procedures to ensure that provision is made for these objectives to be considered.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The CRC Energy Efficiency Scheme will contribute to One Tower Hamlets objectives. The reduction of both carbon and energy consumption will benefit all. The proposed approach will ensure that all energy efficiency schemes are identified and maximised

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 Climate change and energy efficiency are identified as one of four priority action areas in the Government's Sustainable Development Strategy. The introduction of the CRC is a tool to ensure the cost of carbon is factored into the decision making processes of all large organisations.

11. RISK MANAGEMENT IMPLICATIONS

11.1 The following risks have been identified to date. These risks will be managed and controlled by an identified risk owner.

Description of Risk Event	Mitigating actions	Status	Financial implications	Current Risk Score
Providing false or misleading information	Data collection procedure in place. Internal Audit procedures as set up by CRC officers working group	Most schools are now compliant	£116,120 to £232,240	4
Failing to report annual data on time	Procedures in place with meter readers and utility company reports	Usage of TEAM Sigma and automatic meter reading kit	£34,029	3
Failing to maintain adequate records	Database in place. Dedicated resource to populate evidence file (Skills match placement)		£145,145	6
Provision of false annual emissions data	As CRC is a self certification scheme the audits will be carried out internally	Publication of non-compliance	£40 per tCO ₂ incorrectly reported	12
Failure to surrender allowances corresponding to the reported emissions	Complying with the London Centre of Excellence good practice guidelines	Publication of non-compliance	Fine of £40 in respect of each allowance that should have been obtained and surrendered	12
Failure to pay for allowances on	As above	Publication of non-compliance	Immediate fine equal to	6

time			amount of allowances, worst case scenario £443,000	
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11.3 All risks will be reported to the Carbon Management Board and escalated where appropriate to the Asset Management Board and Development & Renewal DMT. The risk relating to financial penalties has been identified corporately as a strategic risk and is being monitored by the Corporate Management Board.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 The report has no implications on crime and disorder.

13. EFFICIENCY STATEMENT

13.1 Close monitoring of the scheme, through the audit controls, will ensure efficient use of the Councils resources.

14. APPENDICES

There are no appendices

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
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None	N/A
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Agenda Item 6.4

Committee/Meeting: Cabinet	Date: 8 th September, 2010	Classification: Unrestricted	Report No:
Report of: Originating Officer(s)		Title: Renewal of Housing General Build Repair and Gas Servicing and Repair Contracts Wards Affected: All Wards	

Lead Member	Marc Francis
Community Plan Theme	A great place to live
Strategic Priority	

1 **SUMMARY**

- 1.1 When the Council's Procurement Forward Plan was presented to Cabinet on the 10th March, 2010, Cabinet requested more information on the two new Housing Repair Contracts - the General Build Housing Repair and Gas Servicing and Repair Contracts which are due to be let in December, 2010. These are now at the Invitation to Tender stage and have been offered in two Lots one for the General Build Housing Repair and the other for the Gas Servicing and Repair.
- 1.2 The procurement strategy for these contracts means that both Lots could be awarded to the same contractor or they could be awarded to separate contractors depending on what represent best value to the Council. The award criteria take into account quality as well as price in making this determination
- 1.3 This report provides more information on these contracts so that they can proceed to be awarded at the appropriate time.

2 **DECISION REQUIRED**

- 2.1 Cabinet is requested to;-
- 2.1.1 Agree that the contracts for General Build Housing Repair and Gas Servicing and Repair contracts can proceed to Award stage.
- 2.1.2 Authorise the Corporate Director of Development and Renewal to award the contract or contracts and in consultation with the Assistant Chief Executive (Legal Services) to execute all necessary contract documents

3 **REASONS FOR THE DECISION**

- 3.1 The repair and maintenance of homes and environment is one of the key areas of service provided to the Council's tenants and leaseholders by Tower Hamlets Homes. It is also a statutory responsibility for the Council to carry out repairs and maintenance to its housing stock. These contracts are being procured in such a way to ensure that residents are provided with the highest level of service possible in as efficient a way as possible.
- 3.2 To ensure that all relevant stakeholders are fully able to participate at the start of these contracts a mobilisation period of a full three months is required. The contract has a start date of 1st April, 2011 which does not allow sufficient flexibility for a further report to Cabinet before the award decision is finalised. In order to achieve the deadline Cabinet is requested to note, discuss and provide comments on the content of this report to ensure the contracts are let in accordance with Members' wishes but permit the final decision on award to be made by the Corporate Director, Development and Renewal.

4 **ALTERNATIVE PROPOSALS**

- 4.1 *Extend existing contracts.* The existing contracts have provision within them to be extended by up to two years. One year of that extension has already taken place. To re-extend for the further year will mean the re-procurement process will have to be repeated in the very near future with some reputational damage and additional costs arising for both the Council and the bidders. There is also the risk that existing bidders will not bid due to the abortive bidding costs. Efficiency savings will be limited by extending existing contracts and not entering into new more effective arrangements. The new contracts also have a focus on improved service delivery and client satisfaction which will be lost. Residents are also aware that new contract management techniques will provide a fresh focus on this important service which, along with any efficiency savings, will be deferred if existing contracts are simply extended.

5 **BACKGROUND**

- 5.1 The current contracts were let in April, 2005 on a five year term with an option to extend by a further two years. The repair contract (covering voids, reactive repairs, minor planned works) and the gas servicing and repair contracts (the subject of this report) were extended by one year until 31st March, 2011 with the other specialist contracts being extended until 31st March, 2012. Therefore, new contracts for responsive repair and gas are required for April, 2011 with indicative values of £10m per annum for responsive repair and £2m per annum for gas servicing and repair. This procurement represents approximately 80% (by value) of the Repair and Maintenance spend on Housing properties.

- 5.2 Tower Hamlets Homes (THH) is responsible for the delivery of the repairs service as part of a Management Agreement entered into in July 2008.
- 5.3 After receiving expressions of interest a shortlist of eight contractors was identified, all of which were sent tender packs on the 16th July, 2010.
- 5.4 In December, 2009 as part of the resident consultation process, statutory consultation commenced with leaseholders for the responsive repair contract. This consultation outlined the content of the new contracts and the relevant comments that were made, have been taken on board.
- 5.5 Prior to this, in early 2009, a group of residents had been formed with the aim of improving delivery through the existing contracts. This group subsequently became the Residents Repair Procurement Group (RRPG) helping THH develop and shape the ideas that were needed to construct a contract that would most appropriately meet the needs of the residents. This is an important innovation in a citizen centric service and the involvement of the RRPG will be key in the award and future scrutiny of contractor performance.
- 5.6 One of the major areas of focus was on the number of contractors that were needed. Currently one contractor carries out our gas servicing and repair work and this same contractor shares the general build responsive repair with another one. The proposal, agreed through this residents group and the Council's procurement tollgate process, is to appoint one or two contractors to do this work for us from April, 2011.
- 5.7 In addition in May and June, 2010 a group of officers from the technical and housing sections of THH were formed to look at how residents view the existing repair service particularly looking at what they value. This exercise used existing and new data derived from telephone surveys and analysis of the issues raised in repairs calls to the Council's call centre.
- 5.8 The key findings from this exercise were that residents value the following:
- 5.8.1 Being offered an appointment at the time that suits them
 - 5.8.2 A tradesperson who is empowered to diagnose and fix the repair in one visit.
 - 5.8.3 Tradespersons who are free to complete a quality repair in the time it takes
 - 5.8.4 Van stock which is based on what is regularly used and needed. It is recognised that insufficient van stock interrupts the flow of work.
 - 5.8.5 The skills of tradespersons are related to customer demand
 - 5.8.6 A tradesperson who checks for additional repairs that are THH/Council responsibilities and, where budgets allow, carries out this work in the same visit or by appointment.

- 5.9 The ability to meet these expectations will be built into the final award process ensuring that some of the softer but still measurable aspects of what residents require in a repair service are delivered.

6 **FORMAT OF CONTRACT DOCUMENTS**

- 6.1 For a number of reasons set out within this report the form of contract will be a term partnering contract, theTPC2005. This is a modern form of contract that was specifically written for partnering taking account not only of the client/contractor relationship but other stakeholders, most important of which are residents. The non-adversarial nature of this contract allows a much more collaborative and flexible approach to problem solving and continuous improvement and can be very specific about what is required to move forward.

- 6.2 The benefits of this form of contract over a traditional measured term contract is the delivery of a more transparent service in terms of isolating the real costs of repairs, offering real prospects of continuous improvement and more consistent with lean, flexible services focused on the customer.

It is possible to achieve greater budget certainty, particularly if labour is allocated to neighbourhoods, and greater planning of work to suit the needs of the resident. Additionally, methods of remuneration are more transparent because profit, head office overheads and site overheads are separated from work costs. This makes it possible to target savings in management and drive down works costs allowing the contractor to enhance profits via a risk share by enhancing delivery within budget rather than simply boosting turnover via variations or more order generation as can be the case with a JCT contract based solely on a schedule of rates.

- 6.3 Continuous improvement becomes an integral part of the contract and the timetable for implementation will be formally incorporated via the Partnering Timetable. The Partnering Timetable is a key contract document that is managed through a Core Group of officers and contractor staff who meet on a monthly basis to ensure that we deliver what has been agreed. The contract allows for 'interested parties' to have a real influence on the partnering timetable and it is envisaged that residents will be key amongst the interested parties.

- 6.4 Although procured for mainly Housing properties the contract itself allows for its use by other clients and non-residential stock. This offers potential cost efficiencies to other clients. Thus flexibility is built into procurement structures in that a range of services can be offered on a fully accountable basis.

7 **AIMS OF THIS PROCUREMENT**

7.1 **Focus on the Customer**

7.1.1 With a focus on Neighbourhood delivery of services the contractor will be obliged to not only work with local officers but with Tenants Resident Association (TRA) groups and other residents where appropriate. To this end the contract requires suitably senior managers on the contractor side to be co-located in each of the three Area offices. This ensures close cooperation and working with officers, residents and resident groups.

7.1.2 Maximising the use of our assets by timely and appropriate repairs enables residents to enjoy the full benefit of their homes and their environment. For instance the contract requires the contractor to regularly inspect playgrounds and maintain them on a planned basis. Another example is the focus on rapid turnaround of empty properties to ensure we maximise the rent and subsequently the budget available for spending on resident's homes and environment.

7.2 **Access to the Service**

7.3 There is currently a range of access methods for residents requesting a repair to be carried out in their home or on their estate. The main method is through the Council's Call Centre where there has been some recent innovation by co-locating contractor's staff to improve the accuracy of repair diagnosis.

7.4 No change is envisaged in the call receipt and diagnostic process for first time calls for the start of the contract. As this is a 5 year term with the option for the Council/THH to extend the term by up to a further 5 years bidders will be asked to submit written proposals for taking first emergency calls and then full call receipt. Bidders will be asked to submit outline costs with their methodologies and should LBTH/THH wish to proceed with this transfer the proposals and costs will form the basis of discussions.

7.5 Early exploration with the new contractor around how best to limit the number of chase up calls (as opposed to first time calls) together with a simple method of them taking the main responsibility for dealing with these calls will take place within the first six months of the contract. In addition, by incorporating the contractor into some of our current systems eg answering complaints, they will better understand the focus of our customers.

7.6 Maximising Planned works (in a reactive service)

- 7.6.1 Certain areas of the service such as gas lend themselves to pre-planning and some level of budget risk transfer to the partner. This has been undertaken in the current contract and will be built upon for the new one.
- 7.6.2 THH encourage residents to attend neighbourhood inspections and regular neighbourhood events are now well established. In the development of such repair days and neighbourhood days, existing contractors are involved in working with residents to identify and, where possible, complete jobs in a more planned way. The new contracts will continue and build upon this practice so that residents can have a real involvement and say in what is important to their particular neighbourhood.
- 7.6.3 Other areas such as reactive internal and communal repairs and voids can occur randomly and THH will adopt a policy of 'planning for the reactive' as open book techniques become developed.
- 7.6.4 Historic demand levels are well documented and will be included for information in tender documents. In a service of this type levels of demand are reasonably constant but their incidence cannot be predicted. There are exceptions e.g. gas servicing which can be planned on an annual basis and is to be let on a lump sum per home basis.
- 7.6.5 The response repair service can best be illustrated by an example. THH knows that it undertakes approximately (say) 10,000 plumbing repairs per year. Rather than just referring orders as they come up it would be more cost effective to staff the contract with sufficient operatives to undertake the likely volume and increase their efficiency. Slack time can be filled with back up jobs in planned preventative maintenance such as gutter clearing , further reducing the reactive maintenance bill, and periods of excessive demand can be covered with additional labour possibly via a sub-contractor.
- 7.6.6 Additionally, the contract allows for a proportion of small planned schemes (up to £150,000 each) to be facilitated through this contract. These can be funded from any saving achieved through efficiencies or by capitalisation where appropriate. For instance, the replacement of individual boilers on a programme is more straightforward, therefore cheaper, to manage if carried out by the same contractor who installed them.

8 **EVALUATION, MANAGEMENT AND GOVERNANCE OF THE CONTRACT**

- 8.1 The evaluation process is not based purely on financial considerations. THH/LBTH will implement the evaluation split as detailed in Tollgate 1 – 60% based on cost, 15% based on quality and 25% reserved for customer confidence.
- 8.2 The contractor is required to evidence alignment to THH/LBTH vision, values, aims and objectives and in particular how they ensure an efficient, continuously improving value for money service.
- 8.3 Within the method statements requested from bidders, an Employment and Skills Plan (ESP) has been requested which will identify the manner that the contractor will provide additional benefits to the local community and economy. It is important to note that 'promises' made in this ESP will be built into the contract terms and as such capable of being monitored and implemented. This marks a significantly different approach to our previous contracts and will be used as a vehicle to stimulate the local economy by encouraging local employment and supply chain patronage by partners.
- 8.4 THH is aware that any new contract, especially one as important as this, needs to fit a neighbourhood operating model. A review will be undertaken of the current operational management skills set and their capacity to manage a modern partnering contract in this context. THH acknowledge that this will require significant change moving from a current skills set of process management, specification, checking and variation monitoring to one of management by outputs and incentives for maximising delivery within budgets and an understanding of managing a partner by risk sharing and reward. This will be undertaken in parallel with the procurement process and will inform the direction and content of some of the training mentioned earlier. An outline programme and content is being formulated with the project sponsor and the result, aimed for completion by December 2010, will be a lean and flexible client model driving the Council's localisation agenda.

9 **PROGRAMME**

Cabinet Report	8 th September, 2010
Evaluation Completed	End October, 2010
Director/Competition Board Approval to Proceed to Proposal to Leaseholders	End October, 2010
2 nd Stage Leaseholder Consultation	1 st November, 2010
Director/Competition Board Approval to Proceed to Tender Award after taking into account leaseholder comments.	Mid-December, 2010
Tender Award	Mid-December, 2010
Mobilisation Period	January – March, 2011

10 COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 10.1 This report seeks Cabinet approval to agree that two major contracts, the General Build – Housing Repair; and Gas Servicing and Repair; can proceed to award stage subject to the approval of the Corporate Director of Development and Renewal. It is intended that the contracts will come into effect from 1 April 2011.
- 10.2 The indicative total annual value of these contracts is £12 million, estimated as £10 million for responsive repairs and £2 million for gas servicing. These costs form the major elements of the Housing Revenue Account Repairs and Maintenance budgets managed by Tower Hamlets Homes on behalf of the Authority. The costs must be contained within the annual budget set for the works element of the Repairs and Maintenance budget – currently £14.3 million in 2010-11, and the contract must be flexible in order that it can be varied in future to reflect available resources.
- 10.3 The form of contract to be utilised is outlined in section 6, with the efficiencies that are expected to be generated from the procurement process detailed in section 16. The contract lends itself to a more transparent service, based on a partnering approach between the Council, the contractor and key stakeholders, including residents. The contract will be operated on an open book system which will separate the real cost of repairs from the profit generated by the contractor, and will incorporate a performance system based on customer satisfaction levels. Tenderers have been asked to indicate the amount of their profit that they are willing to put at risk if their performance does not meet the Authority's standards.
- 10.4 As mentioned above it is essential that the contract is structured in order that the Authority is able to adapt to any future budgetary pressures that might arise which may necessitate a reduction in available funding.
- 10.5 The contract must only be let with the full support and involvement of the Authority's procurement and legal teams, and it is essential that all necessary statutory consultation is undertaken prior to the finalisation of the contract in order that any appropriate future rechargeable repair costs can be recovered from tenants and leaseholders as necessary.
- 10.6 In conjunction with the procurement process an exercise is being undertaken to review and improve the systems and methodology that is in place to manage the contracts. This has identified potential duplication of functions between the contractor and THH (paragraph 16.1) which will be addressed as part of the process.
- 10.7 The contract includes scope for other Council departments to utilise the contractor's services for repairs on non-residential stock. The utilisation of

this facility would need to be assessed on an individual basis but offers potential for further cost efficiencies to be realised across the Council.

11 **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

11.1 The Council has a number of statutory duties in relation to the maintenance of its housing stock and this contract or contracts will help to fulfil these. The procurement has been conducted in accordance with EU and UK procurement law and will be assessed on the basis of most economically advantageous proposal for the Council. The selection criteria take into account not only price but quality of service and the contractor's proposals on how to improve the service.

11.2 The proposal to enter into the 5 year contract/s with the provision for extension for up to a further five years has been subject to leaseholder consultation and so will be a qualifying long term agreement enabling the Council to recover costs from leaseholders if they receive work under the contract. There are also provisions in the contract documentation so that leaseholders can elect to receive repairs and maintenance work from the contractors direct e.g, if they wanted their gas servicing done at the same time as other flats in their block.

11.3 Given the timetable to ensure mobilisation starts at the beginning of January to ensure a smooth transition on 1st April it is not possible for the award to the specific contractor/s to come back to Cabinet so an authorisation is sought for the Corporate Director of Development and Renewal to award this contract and then in consultation with the Assistant Chief Executive (Legal Services) to execute the contract documents.

12 **ONE TOWER HAMLETS CONSIDERATIONS**

12.1 THH diversity strategy seeks to ensure that all services are accessible, inclusive and fairly delivered. The repair contracts and their method of delivery through external organisations is an area of service that affects most residents. Nearly 80% of tenants have direct contact with a repair contractor each year and leaseholders, through work carried out to communal areas for which they are recharged, equally benefit. The contract specifically requires the contractor to report back issues of vulnerability identified and, as a partner, together we will seek to meet our aims.

12.2 These contracts support the community plan theme of making Tower Hamlets a great place to live. It provides safety for our tenants through the

gas servicing programme and maintains both the communal and internal environment of the homes we own.

- 12.3 The contracts allow, as far as legally permissible, the encouragement of the future contractor to maximise the number of local staff, particularly through training initiatives.
- 12.4 A considerable part of the Council's budget will be paid to the successful contractor(s) and the encouragement to use local businesses will be part of the monitoring process.
- 12.5 An Equality Impact Assessment (EQIA) for repairs is in place but a specific EQIA has been completed for this procurement in order to ensure that the focus is appropriate. The main focus is on ensuring that the evaluation process takes account of diversity issues as far as is legally permissible and that the contract contains specific elements on working with and engaging the local community and ensuring that tradespersons are aware of the diverse needs of residents.

13 **SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 13.1 The contractor(s) will be required to set up a local operation minimising CO2 emissions in travelling costs.
- 13.2 The contractor(s) will be obliged to conform to LBTH policies on use of sustainable timber and other associated building elements.

Environmental sustainability will be a key strategic aim for this service. All bidders have an in-depth capacity to deliver a 'green' service as their policies were vetted at the short-listing stage and a company falling short on sustainability would not have been short-listed.

Some service specific measures will include:

- controlled disposal of waste materials arising from demolition works
- material specification from sustainable supply chains e.g. timber from accredited renewable sources
- reduction of CO2 emissions by minimising travel by placing labour on a neighbourhood basis, employing locally and use of a local supply chain
- recording travel distances of labour and the supply chain and working with partners to minimise this

In addition, partners will be expected to comply with the Council's sustainability policies which have been included in tender documents. Partners will also be expected to keep information to contribute to the relevant National Indicators for sustainability.

14 **RISK MANAGEMENT IMPLICATIONS**

14.1 Our current contract structure for this work is with a single provider for gas servicing and repair and that same provider carrying out general building maintenance on a shared basis with another contractor. The new arrangement is to potentially continue with two contractors but with a different split of work. The risk of any of the contractors who have returned tenders ceasing to trade is extremely low and the benefits of managing one contractor outweigh the appointment of more than one for each element of work. The contract contains a Parent Company Guarantee in the case of sections of a large plc ceasing to trade and a Performance Bond has been included to cover any reprocurement costs.

14.2 The TPC has a hierarchy for non-adversarial dispute and problem solving which will minimise the risk that the aims and objectives of the procurement will not be achieved. Risks are also reduced through joint risk management to achieve these aims.

14.3 Although the contract does not formally commence until 1st April, 2011 the TPC covers the mobilisation period which allows transitional arrangements with previous providers to take place more effectively (bearing in mind that some of the existing contractor's staff may transfer to the new employer under statutory processes). Such transitional management processes are built into the contract via the Partnering Timetable which shows commencement of activities in January, 2011.

15 **CRIME AND DISORDER IMPLICATIONS**

15.1 Amongst other things these contracts will be used to provide appropriate answers to security issues within and around our stock.

15.2 Ensuring that the contracts are managed locally using, wherever possible, the same contractor's operatives in local areas will allow awareness to be maximised which may help avoid/solve issues of anti-social behaviour.

16 **EFFICIENCY STATEMENT**

16.1 A concurrent exercise to the procurement is being carried out to look at the systems we have in place to manage these contracts. This has identified areas of duplication between the contractor and THH which, when reduced or eliminated, will allow the appropriate savings to be made.

16.2 The separation of overheads and the potential to undertake open book accounting for this and/or all work will allow us to work cooperatively with the contractor(s) to rationalise costs and make savings over time ensuring that we are able to contribute to the realisation of cost savings required under the HRA Medium Term Financial Strategy and thus forms a key part of THH's overall economic strategy. Innovations such as open book accounting will be entirely controlled by THH and only used where there is a clear service and economic advantage to customers to do so.

16.3 This contract is currently one of the most attractive in the London area given its size and potential term of 10 years. Market interest at the short-listing stage proved intense and the procurement team are confident that it can take full advantage of the current market to secure keen prices consistent with quality of service delivery.

The contract also contains attractive economic terms from the Council's perspective . For example any extension to the 5 year term is completely at the Council's discretion and annual price increases are limited to 75% of inflation indices encouraging our partners to seek economies from within available budgets to maintain their levels of return.

16.4 Pain/gain mechanism. The tenderers were asked, as part of the evaluation process, to indicate the amount of their profit they are willing to put at risk if their performance does not meet our standards. In addition additional profit can be made if our targets are exceeded. The only measure to be used in this regard will be resident satisfaction with the repair service. In a truly customer centric service there is only one performance measure that really counts and that is customer satisfaction. Thus tenderers will be offered the opportunity to place a proportion of their profit at risk for failing to meet agreed customer satisfaction levels measured by completely independent customer satisfaction surveys.

This is an important innovation in that under the existing contract there could be an incentive to enhance profits by undertaking a greater volume of work and claiming variations on work instructed. The new approach will re-focus our partners with incentives not to exceed budgets and deliver the best for available resources by adopting 'lean' processes

Other performance measures may be used for operational purposes and to monitor and control the efficiency of service delivery and these will underpin the citizen centric overall objective.

16.5 Although the aim is to move to an at cost method of payment the pricing will always be capped by what we would have paid if we continued with payment under a schedule of rates system which itself had any annual increases limited to 75% of the appropriate inflation index.

16.6 As stated earlier these contracts are able to be used by other clients within the Council providing additional value through economies of scale.

16.7 Joint working between the Council's and THH's procurement teams has delivered a flexible contract capable of fully accountable multi-client use. The companies short listed have the capacity to work across a number of client sources and contract management structures will ensure that the THH core business is properly resourced should other sources of work come on stream. Other Council sections can therefore immediately buy into the competitiveness of contract prices with a clear efficiency saving on time and procurement costs.

17. APPENDICES

There are no appendices

Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report

Brief description of "back ground papers"

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

None

N/A

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Agenda Item 6.5

Committee/Meeting: Cabinet	Date: 8th September 2010	Classification: Unrestricted	Report No:
Report of: Kevan Collins, Chief Executive Originating officer(s) Mohammed Ahad, Scrutiny Policy Officer		Title: The Private Rented Sector: Report of the Scrutiny Working Group Wards Affected: All	

Lead Member	Cllr Marc Francis
Community Plan Theme	Great Place to Live.
Strategic Priority	Providing affordable housing and strong neighbourhoods

1. **SUMMARY**

- 1.1 This report submits the report and action plan in response to the recommendations of the Scrutiny Working Group review on the Private Rented Sector (PRS). The Working Group recommendations set out the areas requiring consideration and action by the Council and the Partnership to help fill the gaps that exist in the PRS.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Consider the report of the Scrutiny Working Group on the Private Rented Sector as set out in Appendix 1.
- 2.2 Agree the response to the recommendations from the Working Group as set out in Appendix 2 noting that continuing consideration is to be given to the emerging policy changes and public sector funding decisions of the new coalition government that have been made since the agreement of these recommendations by O&S in April 2010.

3. **REASONS FOR THE DECISIONS**

- 3.1 It is consistent with the Constitution and the statutory framework for Cabinet to provide a response.

- 3.2 In responding to the recommendations this report outlines how the issues raised will be taken forward by the Council.

4. ALTERNATIVE OPTIONS

- 4.1 In responding to the recommendations full consideration has been given on how the recommendations can be incorporated within existing and future work streams.

It is essential to recognise that this review and its recommendations were developed before the election of the new coalition government and the announcement of significant reductions in public sector funding and emerging policy changes. Therefore, the action plan will need to be reviewed in line with emerging government policy and given the financial constraints ensure that activities can be met within existing budgets.

Any alternative response to the recommendations will be considered by the Overview and Scrutiny Committee as part of their recommendation tracking report every six months.

5. BACKGROUND

- 5.1 In June 2009 the Scrutiny Lead for a *Great Place to Live*, Councillor Alex Heslop, identified the Private Rented Sector as a priority for review and in July 2009 this Scrutiny Working Group was established. Reasons for this review include the negative publicity within the sector as well as the notion that residents who have no real chance of social housing and cannot afford to buy are reliant on the Private Rented Sector. The key aim for the review was to identify gaps and issues that exist within this very important housing sector in Tower Hamlets and recommend potential initiatives which could improve service delivery.

- 5.2 The main objectives of the review were:

- To analyse issues facing tenants of the PRS
- To identify gaps in the support available to tenants of the PRS
- To examine issues that may effect landlords who are renting out to tenants
- To analyse the growing number of private tenants of leaseholders and how the housing partners should interact with such tenants
- To consider the merits and demerits of possible initiatives such as the Council providing a full management service for leaseholders who are subletting

- 5.3 The Working Group undertook various evidence gathering sessions and heard from key stakeholders including Crises, Shelter, Tower Hamlets Homes, the National Landlords Association and local RSLs. Members also heard from a number of Council Services. The resulting report and recommendations were agreed by the Overview and Scrutiny Committee in

April 2010 as attached in Appendix 1. An Action Plan responding to these recommendations has been developed and is attached in Appendix 2.

6. BODY OF REPORT

- 6.1 The housing challenge in Tower Hamlets is immense despite the borough continuing to witness major new housing development and redevelopment. Between 2004 and 2008 up to 9,000 new homes have been built in the borough, 3,238 of them have been affordable homes. This makes Tower Hamlets one of the largest deliverers of affordable housing in the country. However, the borough still has 9,446 overcrowded households in socially rented homes and 1,798 of these are severely overcrowded. This makes the option of private rented accommodation in the borough very important.
- 6.2 The importance and reliance on the Private Rented Sector nationally is enormous. The sector is used to house a range of different communities including professionals and the homeless. In Tower Hamlets the sector is also widely utilised by students attending the borough's two local Universities (Queen Mary College and the London Metropolitan). In addition to this the borough is historically seen as a settling ground for migrant workers which has meant a long history of the PRS housing the homeless.
- 6.3 Recommendations outlined by the Working group looked at strategic aspects such as the need to undertake a full Private Sector Condition Survey to provide an evidence base for the Private Sector Housing Strategy and the update to the Private Sector Housing Renewal and Empty Properties Framework. Operational recommendations looked at strengthening the role of landlords as well improving the health aspects of the PRS.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report describes the action plan in response to the review recommendations of the Scrutiny Working Group on The Private Rented Sector (PRS) to deal with overcrowding in the Borough.
- 7.2 Since this report was originally taken to the Overview and Scrutiny Committee in April 2010, the coalition government has published its emergency budget for 2010-11 which may have an impact on some of the recommendation set out in this report. In particular, the restriction of housing allowance from January 2011 to £400 per week. The significance of this is to limit Housing Benefit claimed by tenants to £400 which may have an impact on R1 with regards to potential increase in homelessness and R5 as a potential reduction in private sector stock available where rent is more than £400 to people claiming Housing Benefit.
- 7.3 There are no other specific financial implications emanating from this report but in the event that the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1. The provision by the Overview and Scrutiny Committee of reports and recommendations to the Executive in connection with the discharge of the Council's executive and non-executive functions is consistent with Article 6 of the Council's Constitution, in turn reflecting the requirements of section 21 of the Local Government Act 2000. Cabinet should provide a response and one is proposed in the attached Action Plan.
- 8.2. The Council has broad housing functions as a housing provider, a housing enabler and as a regulator of the standard of housing accommodation. The Council also has power pursuant to section 2 of the Local Government Act 2000 to take action to promote the well-being of people in Tower Hamlets, provided that consideration is given to the Community Plan and the contribution to well-being is evidenced.
- 8.3. The recommendations set out in the report appear capable of being carried out within the Council's statutory functions. Whether or not each recommendation is lawful will ultimately depend on the detail of how it is carried out. If, ultimately, the Council pursues the recommendations, it will be for officers to ensure that legal advice is taken as appropriate and the recommendations are carried out lawfully.
- 8.4. Recommendation 3 proposes the creation of a management service, particularly for properties sub-let by leaseholders. The draft executive response suggests that this will be explored in the course of working with selected RSL partners. Legal advice will need to be taken as to the detail of any proposed management service as it develops, to ensure that any contribution by the Council remains within its statutory functions. This will be particularly important, as the ways in which the Council may trade or engage in shared services are controlled.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 A number of recommendations in this report have One Tower Hamlets implications as the intended outcome is to reduce housing inequalities within the borough with the greater use of the private rented sector.
- 9.2 Recommendations 2, 4, 6, and 7 are to ensure that private rented properties meet the decent homes standards. The decent homes standards is a priority of the 'Great Place to Live' strand of the Community Plan and contributes to the cohesion agenda, by providing a safe, comfortable and secure environment for people to live in.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 There are no direct environmental implications arising from this report.

11. RISK MANAGEMENT IMPLICATIONS

11.1 There are no direct risk management implications arising from this report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

13. EFFICIENCY STATEMENT

13.1 Although Tower Hamlets is one of the largest affordable housing deliverers in the country, the housing challenge in the borough remains. The recommendations expect to achieve the effective use of PRS and efficient housing management to tackle the problem, which will promote greater efficiency.

13.2 The recommendations also advocate developing a partner strategy to deal with homes in poor condition, which will contribute to efficiency through sharing resources between partners.

14. APPENDICES

Appendix 1 – The Private Rented Sector: Report of the Scrutiny Working Group

Appendix 2 – Action Plan and responses to the Working Group’s Recommendations

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

No Background Papers were used in this report Mohammed Ahad x4363

**Report of the Scrutiny Review Working
Group on
The Private Rented Sector**



**London Borough of Tower Hamlets
March 2010**

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Acknowledgments

The Working Group would like to thank all the officers and partners that supported this review. The views and perspectives of all that were involved have been fundamental in shaping the final recommendations of this report.

Working Group Chair:

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Working Group Members:

Councillor Rachel Saunders

Councillor Shahed Ali

Councillor Bill Turner

Councillor Abjol Miah

Councillor Shirley Houghton

Other Members:

Councillor Marc Francis - Lead Member, Housing and Development

Councillor Sirajul Islam - Chair of Overview and Scrutiny Committee

London Borough of Tower Hamlets:

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David Farrell	Head of Environmental Health and Environmental Control
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Chief Executive, Praxis

Recommendations

The Working Groups recommendations set out the areas requiring consideration and action by the Council with regards to the Private Rented Sector in the Borough. The recommendations have been split into strategic and operational issues and cover areas around partnership and efficiency, health and housing and the role of landlords.

Strategic

- R1 That the Development and Renewal Directorate develops a new Private Sector Housing Strategy which incorporates recommendations from this review and issues highlighted in the Housing Strategy and Housing and Homelessness Strategy
- R2 That the Development and Renewal Directorate undertake a full Private Sector Condition Survey to provide an evidence base for the Private Sector Housing Strategy and the update to the Private Sector Housing Renewal and Empty Properties Framework
- R3 That the Development and Renewal Directorate, Tower Hamlets Homes and local Registered Social Landlords explore the feasibility of providing a full management service for leaseholders that sub-let their properties
- R4 That the Communities, Localities and Culture Directorate develops a partnership strategy which includes NHS Tower Hamlets, the London Fire Brigade and the third sector to deal with homes in poor condition. This should include the sharing of resources as highlighted by the Healthy Homes programme in Liverpool City Council

Operational

- R5 That the Development and Renewal Directorate commit to utilising Private Rented Sector stock to its full capacity instead of using Bed and Breakfast and Hostels where possible
- R6 That the Environmental Health Team implements the new powers given to local authorities which allows the licensing of all landlords including those with Houses of Multiple Occupations (HMOs)
- R7 That the Tower Hamlets Landlords Forum uses local media to increase awareness of the benefits of the London Landlord Accreditation Scheme (LLAS) and publicises which local landlords are accredited and registered on its website
- R8 That the Tower Hamlets Landlords Forum and Tower Hamlets Homes publicise the Landlords Forum through the greater use of local media and an annual "*Landlord of the Year*" award

- R9 That a representative from the Tower Hamlets Landlords Forum have a standing invitation on the Great Place to Live Community Plan Delivery Group
- R10 That the Development and Renewal Directorate support private landlords access grant or loan funding to improve the quality and energy efficiency of the PRS
- R11 That the Tower Hamlets Landlords Forum takes lead in exploring the development of a regional landlord's forum
- R12 The Housing Benefits Service continue moving from a process of paying housing benefits through cheques to payments through BACs
- R13 The Housing Benefits Service explore the possibility of sending schedules of payment to landlords through email along with written copies to increase efficiency
- R14 That the Housing Benefits Services and Housing Advice Service explore the possibility of a Benefits Officer being based within the Housing Advice Team

Introduction

1. The housing challenge in Tower Hamlets is immense, as the borough continues to witness major new house building and redevelopment. Between 2004 and 2008 up to 9,000 new homes have been built in the borough, 3,238 of them have been affordable homes. This makes Tower Hamlets one of the largest deliverers of affordable housing in the country. However, the borough still has 9,446 overcrowded households in socially rented homes, and 1,798 of these are severely overcrowded¹. This makes private rented accommodation in the borough very important.
2. The importance and reliance on the private rented sector (PRS) nationally is immense. The sector is used to house a range of different communities including students, professionals and the homeless. In Tower Hamlets the sector is also widely utilised by students attending the borough's two local Universities (Queen Mary College and the London Metropolitan). In addition to this the borough is historically seen as a settling ground for migrant workers which have meant a long history of the PRS housing the homeless. It is stated that satisfaction with the PRS is better than the social sector according to tenants as highlighted by the national homelessness charity Crisis. This is also consistent with the Government's response to the Rugg Review (2009)² which states that three quarters of all private tenants are either very or fairly satisfied with their landlords.
3. However a number of questions remain unanswered. What is the impact of the PRS in Tower Hamlets? What issues do tenants and landlords face and what support is available to them? What partnership working is currently in place relating to the PRS and finally in what condition is the borough's housing stock and what impact does this have on health and housing in the borough. These are some of the questions this review considered.
4. This review will build on the reviews undertaken over the last three years to support the improvement of the housing stock in the borough and the service provided to local residents. The three previous scrutiny reviews in this area include:
 - Affordable Home Ownership 2008/09
 - Choice Based Lettings 2007/08
 - Leaseholders: A case study of Customer Care 2006/07
5. In June 2009 the Scrutiny Lead for a *Great Place to Live*, Councillor Alex Heslop, identified the PRS as a priority for review and in July 2009 the Scrutiny Working Group was established. Reasons for this review include the negative publicity within the sector as well as the notion that residents who have no real chance of social housing and can't afford to buy are reliant on the PRS. The key aim for the review was to identify gaps and issues that exist within the PRS in Tower Hamlets and recommend potential proposals which could improve service delivery.

¹LBTH Overcrowding reduction Strategy, 2009-12

²<http://www.york.ac.uk/inst/chp/publications/PDF/prsreviewweb.pdf>

6. The review had a number of key objectives:
 - To analyse issues facing tenants of the PRS
 - To identify gaps in the support available to tenants of the PRS
 - To examine issues that may affect landlords who are renting out to tenants
 - To analyse the growing number of private tenants who rent from leaseholders and how housing partners should interact with such tenants
 - To consider the merits and demerits of possible initiatives such as the Council providing a full management service for leaseholders who are subletting

7. The following methodology for the review was agreed by the Working Group:

Introductory Review Meeting (September 2009)

- Members heard evidence on the current local, regional and national policies relating to the PRS as well as the Council's vision for the sector in the near future.

Issues Effecting Tenants of the PRS

- Members received presentations from the Environmental Health Service, Housing Advice Services and Crisis on the health issues which some tenants face when residing in the PRS.

Private Landlords in the PRS

- Presentations were received from the National Landlords Association, Tower Hamlets Landlords Forum and landlords themselves on some of the issues which landlords involved with the PRS face.

Leasehold Properties being Sub-Leased in the Borough

- The Working Group heard from the Council's Benefits Service, Tower Hamlets Homes and others regarding the high number of leaseholders that are sub-letting their properties and some of the issues which exist.

Private Sector Leasing and the role of RSLs

- Evidence was presented by the Council's Homeless and Housing Advice Services as well as RSLs and Homelessness charities on different models which could be incorporated into the PRS such as intermediate renting and the Council having its own PRS management service.

Background

The National Context

8. The PRS (PRS) can be defined as accommodation that is privately owned (i.e. not owned by a Council or Housing Association) and that is being rented out by a landlord, normally for some profit. The landlord could be an individual or a company. Sometimes management companies or estate agents will manage and let out the property on the owner's behalf. Unlike renting in the social housing sector, most private rental properties are let out on a purely commercial basis, with no allowance for [affordability](#), and typically on relatively insecure, fixed-term contracts. The PRS nationally is complex and includes a number of niche markets both at the high and low end of the market. These niche markets include young professionals, students, the housing benefits market, slum rentals, high income renters, migrants, asylum seekers and temporary accommodation. The PRS consists of approximately 3.2m households which equates to around 13% of all households³. Even though some see the PRS as a transient sector it is suggested that 21% tend to stay in the PRS for more than five years whilst a further 40% stay for less than a year⁴.
9. The PRS was generally seen as an unregulated sector however since 2002 a number of changes have occurred within the sector to increase regulation. The Regulatory Reform (Housing Assistance) Order in 2002 required all councils to have a Private Sector Renewal Strategy. The Housing Act 2004 introduced a fundamental change to the way local authorities deal with housing condition problems. The Act recognised the council as the primary enforcement agency for conditions of health and safety in the private sector. It introduced the Housing Health and Safety Rating System (HHSRS) which directs councils to consider a range of 29 identifiable hazards within dwellings and assesses the risk posed by such hazards. The most serious of hazards is 'Category 1' which the council has a duty to take action to eliminate or significantly reduce.

Rugg Review - the PRS: Its Contribution and Potential

10. The Department for Communities and Local Government (CLG) commissioned an independent review by Julie Rugg entitled *The PRS: Its Contribution and Potential*⁵ in October 2008. The review produced a number of key conclusions:
 - The PRS is a key component of the housing market in England. The flexibility of the PRS needs to be protected.
 - Expansion of the PRS often means a reduction in supply in other parts of the market
 - The task of policing the PRS should be expanded so that the burden does not rest so heavily on the local authority
 - The industry has a role to play in promoting accreditation and in ensuring that managing agents offer higher levels of consumer protection to tenants and landlords

³ Shelter Presentation, 30th September 2009

⁴ Shelter Presentation, 30th September 2009

⁵<http://www.york.ac.uk/inst/chp/publications/PDF/prsreviewweb.pdf>

- Local authorities should focus on targeting the worst properties and expelling the worst landlords from the market. Policies should concentrate on helping good landlords of all sizes to expand their portfolios (e.g. changes to stamp duty and capital gains tax)

11. In addition to this a number of key findings from the review included that:

- Property conditions in the PRS have been improving, but are still worse than in either social housing or owner occupation.
- There is scope for introducing competition amongst landlords for tenants at the bottom end of the sector. If tenants on Housing Benefit had access to a wider selection of properties, landlords owning the worst quality accommodation would be pushed out of the market or let to those not eligible for Housing Benefit and therefore more vulnerable

12. The review also included a number of recommendations to the government. Some of these included:

- Introducing a light touch licensing system for landlords and mandatory regulation for letting agencies, to increase protection for both vulnerable tenants and good landlords.
- Introducing a new independent complaints and redress procedure for consumers, to help end long drawn out disputes.
- Tax changes to encourage good landlords to grow, including changes to stamp duty to encourage them to buy more properties.
- Looking at ways for the PRS to be more accommodating towards households on lower incomes, including considering more support for landlords prepared to house more vulnerable people.
- Local authorities taking steps to better understand the sector and support good landlords whilst tackling poorly performing landlords and promoting tenants rights.

Government Response to the Rugg Review:

13. The Labour government announced a number of new initiatives aimed at improving the quality of the PRS by increasing professionalism, driving out bad landlords and strengthening protections for tenants affected by repossessions. In addition to these new proposals, which have been consulted on, the government's responses included:

- Introducing a light-touch national register of every private landlord in England to increase protection for both vulnerable tenants and good landlords. Landlords would need to include their registration number on all tenancy agreements and could be removed from the register for persistent poor performance like failing to carry out essential repairs, or not protecting tenants' deposits
- Full regulation for private sector letting agents. Letting and managing agents do not currently need to have professional credentials. This means that both tenants and landlords have no realistic redress when things go wrong. To tackle these problems, the government proposed creating an independent regulator for all letting and managing agents
- An improved complaints and redress procedure for tenants. For the first time, the Government would look to set up a mechanism whereby

tenants are able to register official complaints about sub-standard landlords, and if these complaints are substantial and proven then landlords may be removed from the national register

- Greater local authority support for good landlords. Local authorities would be encouraged to create 'local lettings agencies' to better facilitate tenancies in the PRS for those in housing need, including Housing Benefit recipients

14. In addition to this the government also announced that tenants will have a minimum of two months notice if they have to leave their home because their landlord has been repossessed.

The Regional Context

15. London's first statutory housing strategy was published on 27 February 2010, embodying the Mayor's vision for housing in London to:

- Raise aspirations and promote opportunity: by producing more affordable homes, particularly for families, and by increasing opportunities for home ownership through the new First Steps housing programme;
- Improve homes and transform neighbourhoods: by improving design quality, by greening homes, by promoting successful, strong and mixed communities and by tackling empty homes;
- Maximise delivery and optimise value for money: by creating a new architecture for delivery, by developing new investment models and by promoting new delivery mechanisms.

16. The strategy makes a number of key points on how to improve the PRS regionally in order to meet its vision '*to promote a vibrant and attractive PRS to support London's economic vitality*'.⁶.

17. The strategy highlights the mayor's intention to provide more private rented homes through greater investment with private renting being promoted. The strategy also notes that 45% of all privately rented homes are non-decent compared to 35% of homes across all tenures. The need to improve the quality and access of the PRS will be improved with at least a doubling in the number of accredited landlords by the end of 2011. In addition to this it is also highlighted that

better information on rent levels will be available to those seeking a home in the PRS. Furthermore, the PRS will play a key role in housing homeless and vulnerable households, where it provides high quality housing management and reasonable security of tenure and support is available where needed.

⁶ http://www.london.gov.uk/sites/default/files/uploads/Housing_Strategy_Final_Feb10.pdf

The Local Context

18. There has been a huge increase in the PRS in Tower Hamlets due to the high volume of leaseholders sub-leasing their properties and becoming landlords. In 1990 there were 10,000 PRS properties but this has now increased to about 24,000⁷.
19. The responsibility for the PRS in Tower Hamlets is currently divided amongst a number of different services. The Environmental Health Team deal with the enforcement of the Housing Acts including the licensing of Houses in Multiple Occupation (HMOs). Furthermore the Homeless and Housing Advice Service deals with tenants seeking accommodation or experiencing problems with their landlords. They also operate the Council's Rent Deposit Scheme to assist tenants to take up private sector lettings and the Temporary Housing Scheme to provide for the homeless using licensed and leased properties.
20. The Private Housing Improvement Team (PHIT) offers grant aid to landlords to help create dwellings for lettings and to bring long term empty properties back into use. Disabled Facilities Grants are available to private landlords and tenants. Also landlords and tenants may be eligible to apply for Hazard Removal Grants to deal with category one hazards under the Housing Health and Safety Rating System.
21. The Affordable Housing Team identifies empty private properties and works with the owners to bring them back into beneficial use. However, where the owner is unwilling or unable to return the properties to use the Team will use statutory powers, including Compulsory Purchase, to ensure the properties are returned to use. The work of the PHIT and The Affordable Housing Team are covered by the Private Sector Housing Renewal and Empty Property Framework which is in the process of being reviewed.
22. The borough is also a member of the London Landlord Accreditation Scheme (LLAS) which is a pan London scheme to encourage private sector landlords to become more aware of the rules and regulations covering landlord and tenancy issues, health and safety, contracts and property management. The scheme runs training courses for landlords and encourages them to keep up to date with government policies by attending local Landlord Forums. The Council encourages landlords to attend the courses and provides venues and support for the training days. In Tower Hamlets Empty Property Grants are only available to landlords who are LLAS accredited. The Rent Deposit Scheme will only deal directly with LLAS accredited landlords. Landlords seeking a HMO License are required to become LLAS accredited to show they can be regarded as a 'fit and proper' person. Tower Hamlets has its own Landlords Forum organised by the Housing Advice Team which is open to all landlords and agents.

The **Tower Hamlets Community Plan** suggests that market housing – both to rent and to buy – will remain a key issue. Helping residents to rent

⁷ Tower Hamlets, Environmental Health Team

homes in the private sector is an important part of this theme and the Partnership is committed to seeing the Decent Homes Standard delivered for vulnerable tenants in the PRS.

23. The **Tower Hamlets Private Sector Renewal Strategy 2004/07 framework** outlined ways of improving the living conditions for owner-occupiers and private sector tenants, mainly by:

- Reducing the number of properties containing category 1 hazards (including Houses in Multiple Occupation) and where possible bringing them up to the Decent Homes Standard.
- Increasing the number of vulnerable tenants living in the private sector which meet the decent homes standard.
- Reducing the number of private sector empty properties, bringing certain properties up to Decent Homes Standard and where possible for let through the Council's rent deposit guarantee scheme

24. Furthermore the **Tower Hamlets Housing Strategy 2009/12** includes a number of commitments to the PRS, in particular making sure the PRS is up to decent homes standards. In addition to this further components of the strategy include:

- Exploring the feasibility of using additional selective licensing of certain private sector properties in multiple occupation - Some tenants of Right to Buy properties have proven to be perpetrators of anti-social behaviour and a blight in their neighbourhoods. If taken up, this would be used as a final sanction. (action plan timescale: 2009)
- Refreshing the existing Private Sector Renewal Strategy that will deliver decent homes in the PRS and using enabling methods (such as grants, loans and equity release) to achieve a reduction of category 1 hazards. (action plan timescale: 2010 refresh)
- Tower Hamlets will seek to reduce the number of non-decent homes in the PRS occupied by vulnerable tenants. (action plan timescale: ongoing)
- Delivering the Council's 2008/13 Homelessness Strategy , which includes making the PRS a better option for homeless applicants
- Tower Hamlets will ensure the delivery of a service that will entitle eligible residents to claim Disabled Facilities Grants which will benefit tenants of private sector landlords

25. The **Homelessness Strategy 2008-13** highlights that rapid economic development alongside persistently high levels of worklessness and deprivation mean that home ownership or the PRS is out of reach for many local residents. The strategy suggests therefore to increase access to the PRS and make it a more attractive option:

- As a prevention option, through increased incentives and choice
- Developing a more proactive and assertive options service for households in temporary accommodation
- Facilitating more move-on from hostels into the PRS through a pilot project with Look Ahead Housing and Care and Westminster City Council
- Providing more tenancy support for households in PRS

Key Findings

A number of strategic and operational recommendations have been put forward by the Working Group which covers areas including partnership working and efficiency, health and housing and the role of landlords.

Strategic Recommendations

26. The PRS has generally been seen as an unregulated sector however since 2002 this has been improved by Government legislations. One such piece of legislation includes the Regulatory Reform (Housing Assistance) Order in 2002 which requires all Council's to have a Private Sector Renewal Strategy. An issue which was consistent at a number of scrutiny sessions was the lack of up-to-date information on the status of the PRS locally. This meant that Members did not have a clear understanding of what state the sector was currently in and in turn identify what gaps in services potentially existed. The main reason for this was is due to the Council's current Private Sector Renewal and Empty Properties Framework 2004-07 being outdated and in need of a refresh. Members were therefore keen for this strategy to be refreshed in order to give an up to date record of the current status of the PRS locally. In addition it was noted that the recommendations from this review should also be incorporated into any future Private Sector Renewal and Empty Properties Strategy.
27. The Council's website suggests that the borough has some of the best and worst private sector housing in the country. The private sector house condition survey carried out in Tower Hamlets in 2002, revealed that a disproportionate number of elderly people in the borough live in the worst of the private sector housing stock. Poor quality housing has a detrimental effect on the health of the people living in those houses and on the quality of life in an area. Elderly or vulnerable homeowners do not always have the necessary resources to keep their homes in good repair without assistance
28. The Council's holistic stock condition survey was last completed in 2000. However, the stock database has been periodically updated with capital works refurbishment carried on affected properties. Recently, Tower Hamlets Homes in agreement with the Council, commissioned a stock condition survey for 1500 properties on top of the 300 done earlier in the year.
29. Members were keen to find out what the current status of the PRS was and what percentage of the PRS stock was currently up to decent home standard however with the last private sector condition survey taking place in 2002 and with constant changes in the housing sector locally it was difficult to tell. Members felt that it was important that the Council undertook a full private sector condition survey in order to greater understand what issues are currently being faced within the sector and also to provide an evidence base for both the upcoming Private Sector Housing Strategy and the update to the Private Sector Housing Renewal and Empty Properties Framework. It was suggested that funds should be made available for a full Private Sector Condition survey to be carried out

in order to identify, analyse and understand the current status of the PRS locally.

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|----|---|
| R1 | That the Development and Renewal Directorate develops a new Private Sector Housing Strategy which incorporates recommendations from this review and issues highlighted in the Housing Strategy and Housing and Homelessness Strategy |
| R2 | That the Development and Renewal Directorate undertake a full Private Sector Condition Survey to provide an evidence base for the Private Sector Housing Strategy and the update to the Private Sector Housing Renewal and Empty Properties Framework |

30. Members discussed how to drive out poor landlords and rogue agents who know that their properties are in bad condition but have no intention of improving them. Members of the Working Group discussed how good landlords could take over the work of poor landlords in the management of properties. It was also suggested that an Arms Length Management Organisation (ALMO) could potentially do this rather than the Council.
31. The idea that the Council explore providing a full management service particularly aimed at leaseholders that sub-let their properties was discussed during a number of sessions. The Working Group felt that the Council, Tower Hamlets Homes and RSLs should work together and build a partnership to manage properties, with Lambeth's Lettings First being highlighted as a possible model of best practice. Furthermore, Members also felt that an in-house management agent was needed so the Council knew who was living in properties and in turn reduce the number of absentee landlords.
32. Lambeth Council set up Lettings First⁸ to provide a link between social and private housing. The aims of the Lettings First Agency were to provide a service to customers who wish to rent or let properties in the PRS. As well as assisting customers to rent homes in the PRS, Lettings First also offers advice and assistance to both landlords and letting agents. They are involved in many aspects of the PRS including landlord accreditation, HMO licensing and Decent Homes Standards.
33. Lambeth Council has a partnership with Avenue Lettings, who are part of the Amicus Housing Group. Avenue Lettings has over ten years of experience in providing and managing Private Sector properties for short term accommodation. This experience has proved priceless for the Council in establishing this programme. Avenue Lettings are experts in many aspects of property management and provide a quality service and is unique in that they unite the private and public sectors in order to meet needs and demands.
34. In Tower Hamlets up to 40% of leaseholders sublease their properties although there is no accurate record of whose living where. It was however suggested that this information is available through Land Registry. Tower

⁸ <http://www.lettingsfirst.com/index.php?id=62>

Hamlets Homes presented the current levels of leasehold properties that were being subleased to private tenants. Tower Hamlets Homes manages approximately 22,000 properties of which 40% are leasehold. In turn a quarter of those are being sub-let to private tenants.

35. A number of issues and challenges were highlighted including the service not knowing who resides in all properties within the borough and hence the full extent of the number of properties being sub-leased. Tower Hamlets Homes is looking into finding out this information and has sent out two questionnaires to all leaseholders to obtain details of unknown sub-lets. They have also commissioned an external company to conduct a telephone survey to collate diversity information.
36. Tower Hamlets Homes have a number of plans for the future which include:
- Campaign to all leaseholders to identify sublets which will include making direct contact with the occupier
 - Promote buy-in to gas servicing contract for landlord safety checks by reminding landlords of potential manslaughter charges for possible accidents
 - Continue to send out questionnaire with quarterly statements and estimates/ actuals to identify new sublets and gather information on the tenants.
 - Information sharing with neighbourhood teams to help deal with anti social behaviour
 - Produce sub-tenants handbook
37. Members felt that the Council should explore the feasibility of providing a full management service for leaseholders that sub-let their properties; Members suspected that there could be a critical mass of non-residential Council leaseholders to make this financially viable. It was suggested that the borough should seek to adopt a similar service for PRS as that of Lambeth's Lettings First which not only provides information and advice but also provides a full management service.

R3 That the Development and Renewal Directorate, Tower Hamlets Homes and local Registered Social Landlords explore the feasibility of providing a full management service for leaseholders that sub-let their properties

38. A number of challenges face the Environmental Health Team. The team consists of 8 members of staff which have to deal with both PRS issues and a high number of RSL complaints. The new Housing Health and Safety Rating System inspections policy is more complex and now includes an increase to 29 possible hazards which has meant more time being consumed by officers. Another issue which was complex and time consuming was HMO licensing although good landlords were the ones who proactively applied for this. Finally also highlighted was the difficulty in recruiting and retaining qualified Environmental Health Officers and Technical Officers. At present the service is mainly employing agency staff. A professional qualification at graduate level is needed to qualify as

an Environmental Health Officer. The issue with this included that graduates needed to complete a log book as part of their course for them to be registered and qualified but this tends to take time to devise.

39. A best practice initiative mentioned at the session included that of Liverpool Council who successfully managed to secure revenue funding from the PCT and Fire Brigade specifically to aid the work of Environmental Health in order to collectively and efficiently deal with issues arising from the PRS. It was suggested that the Council should look into this model and increase the partnership working between the various services, particularly with public sector finances expected to be cut in 2011-12.
40. Liverpool City Council's Healthy Homes Programme (HHP) was launched to prevent death and illness due to poor housing conditions and accidents in the home. It is mainly aimed at the PRS and helps many of the most vulnerable residents in Liverpool. In 2006, the House Condition and Energy Survey found that 5.7% of Liverpool's housing stock is unfit, compared to the national figure of 4.2%. Accidental injuries in Liverpool are the eighth major cause of death in the city. The Healthy Homes Programme in Liverpool is carried out by the Public Protection Business Unit who use environmental health powers to tackle unhealthy and unsafe housing conditions. The programme includes working with partners such as the PCT, Merseyside Fire and Rescue and the voluntary sector in order to reduce health inequalities and winter deaths, and in turn increase life expectancy.
41. In addition to this, the Healthy Homes Programme uses a comprehensive questionnaire to identify specific needs of each tenant and then co-ordinate the delivery of a range of support services to improve their quality of life. Help given include advice on:
- Healthy eating.
 - Home safety.
 - Fuel poverty.
 - How to get help from a number of different agencies and how to maximise income
42. Members of the Working Group were keen for the Council to explore greater partnership working with those local services which are impacted upon due to health and safety issues in the PRS as well as the introduction of a Healthy Homes Programme. Both these were seen as initiatives to reduce health inequalities which plague the lower end of the PRS. The Working Group heard that a Healthy Housing Link is already something the Council is exploring and looking into but Members were still keen for this to be actively set up.

R4 That the Communities, Localities and Culture Directorate develops a partnership strategy which includes NHS Tower Hamlets, the London Fire Brigade and the third sector to deal with homes in poor condition. This should include the sharing of resources as highlighted by the Healthy Homes programme in Liverpool City Council

Operational Recommendations

43. The Working Group heard from the Homeless and Housing Advice Service who suggested that the PRS can be better utilised and this would be a great opportunity to build a stronger relationship with this large and important sector in the borough. Members agreed and stated that more of those residing in hostels should be encouraged to move into the PRS as this would aid the vulnerable such as those most at risk of re-offending or relapsing
44. In addition to this, Members felt that Hostels were not always appropriate for all groups taking into consideration cultural and gender issues. The Working Group noted the 2006/07 scrutiny review on the Tower Hamlets Hostel Strategy which made a number of recommendations to increase access for people into hostels. The review also noted that the hostel population didn't fully reflect the diversity of the borough's population.
45. Furthermore, Crisis and Shelter stated that as hostels were usually full and local housing not possible due to overcrowding the PRS needs to be better utilised as more support was needed to increase the awareness of this sector and make it stronger. This is also consistent with a report by the London Housing Foundation⁹ which states that there is no prospect of social housing meeting all of the move-on needs of hostels and supported housing residents and hence there was a need to expand the use of the PRS. Currently only around 11 per cent of residents leaving London hostels were moving into the PRS.

R5 That the Development and Renewal Directorate commit to utilising PRS stock to its full capacity instead of using bed and breakfast and hostels where possible

46. The Housing Act 2004 introduced fundamental changes to the PRS and in particular housing condition problems with the introduction of the Housing Health and Safety Rating System (HHSRS). Houses of Multiple Occupations (HMOs) were most likely to be of a health risk to tenants. According to the Council's Housing Strategy 2009-12, currently HMOs with three or more storeys and with five or more occupants are covered by the mandatory licensing scheme brought in under the 2004 Act. Smaller (non-mandatory) HMOs on social housing estates are typically ex-Right to Buy properties owned by distant landlords and sublet to private tenants. Some tenants of these properties have proven to be perpetrators of anti-social behaviour and blight in their neighbourhoods.
47. The government in January 2010¹⁰ announced new local powers to control the spread of high concentrations of shared rented homes and to tackle pockets of unsafe and substandard accommodation run by bad landlords. These new powers also include changes to the planning rules, giving local authorities the powers to manage the development of HMOs in their area, in turn helping stem the growth of large pockets of shared homes - which can change the balance and nature of communities.

⁹ Improving Access to the PRS for Homeless Single People in London, London Housing Foundation, Geoffrey Randall, March 2008

¹⁰ <http://www.communities.gov.uk/news/housing/1447621>

48. In addition to this and as a result of the Rugg review the government has also proposed to give general consent for councils to introduce licensing schemes in hotspot areas where landlords do not maintain or manage their properties properly. This would be allowed without seeking prior permission from Central Government. Members were keen for the Council to look into developing such landlord licensing schemes and a general consent amongst Elected Members would ensure that decisions on the quality of rented homes are made by those who are aware of the local issues and needs of the community.

R6 That the Environmental Health Team implements the new powers given to local authorities which allows the licensing of all landlords including those with Houses of Multiple Occupations (HMOs)

49. The review included a specific session which looked at the role of private landlords in the borough's PRS. At the session Members heard evidence from the National Landlords Association (NLA), Queen Mary College, the Tower Hamlets Landlords Forum and the borough's Family Rent Deposit Scheme. Also in attendance at the session were Directors of some local Landlords including Hamletts and ElliotLeigh.

50. The Tower Hamlets Landlord Forum is an essential point of contact between the Council and the PRS to enable the exchange of ideas and allow discussion between people who are promoting and developing a partnership between providers and regulators. The forum currently meets three times a year and key experts from the Council, private businesses and other landlord organisations are encouraged to contribute at the meetings.

51. Benefits of joining the forum include training and being made aware of the current government policies and legislations relating to the PRS as well as learning from other landlords experiences. In addition to this there is an opportunity to work towards accredited Continuous Professional Development points. It was discussed that bad landlords tended to be concentrated in the lower end of the PRS market and were due to their lack of knowledge rather than not wanting to do anything and in turn just needed support and signposting, which the Landlords Forum could deliver.

52. This was echoed by David Hewitt (Shelter, Housing Development Manager) who also suggested that this was due to landlord's ignorance rather than having poor quality properties on purpose and not wanting to do anything about them. Greater information and advice was needed for both tenants and landlords. It was suggested that the role of the Council should be to engage more with landlords through advice and driving out bad landlords. A number of landlords were also not accredited which was an issue and in turn were not aware of the basic legal responsibilities including those of health and safety.

53. Some of the issues that the Landlords Forum is currently facing include the small numbers that attend or are engaged, at present 20-30

landlords/agents attend the sessions. This is taking into consideration that 1000 invites were sent out in 2007 when the forum was launched and 100 landlords attended the first session. Members felt that more publicity should be introduced to encourage landlords to engage with the Landlords Forum and in turn take up some of the accredited courses it delivers, namely the London Landlord Accredited Scheme (LLAS). Members and Officers felt that the accreditation scheme should not be just a one day course but needs to include continuous learning and development on aspects such as new government legislation.

54. Further challenges that were noted during the session included poor landlords being heard about but not seen. It was suggested that the Council should publicise a list of local landlords on its website which it endorses and are accredited, as is done by the London Borough of Newham. It was however difficult to identify how many landlords in the borough were accredited although it is estimated to be around 260.
55. As an incentive it was suggested that landlords who were accredited and seen as good landlords could be offered benefits which range from publicity in Council literature to increased awareness of and help in accessing grant or loan funding to improve the quality and energy efficiency of the PRS
56. Members discussed a points system could also be introduced where landlords who are poor and tally up a specific amount of points are struck off the list. Such a register was also supported through the Rugg Reviews summary of consultation responses compiled by the Department for Communities and Local Government. It is suggested that although the main landlord organisations expressed cautious support, housing charities such as Crisis and Shelter were strongly supportive. Furthermore, the Working Group heard that Queen Mary College also has a list of landlords which it uses with the notion if any landlord receives two complaints they are struck off the list.
57. Landlord registrations at Queen Mary College number 150 or so each year, with 40 of these being new registrations. This number has seen a 50% increase, due to the recession, to bring the total number of new landlords registering since May 2009 to 62. Queen Mary does not use any advertising medium to promote this service. Registration fees cost £20 per property per year.

The College has a database which is essential to allow students access to:

- Affordable rents
- No fees to tenants
- Better negotiated contract lengths
- Speedier response to repair issues
- Direct intervention from the Residences Office on a tenant's behalf.

58. There was a need to better use the Council's website which was seen as relatively poor compared to neighbouring boroughs such as Newham as well as the use of various local media in promoting the Landlords Forum and the benefits in attending. In addition to this it was suggested that the Council should build and develop the profile of the Forum through the use of a "*Landlord of the Year*" Award. Members suggested that this could

even go one step further with the introduction of a range of housing awards which also take into consideration Registered Social Landlords and Tenants and local Leaseholder Associations.

59. The huge importance of the PRS locally was noted and the need for landlords to be involved in local decision making on a strategic level. With this it was felt that a representative from the Tower Hamlets Landlords Forum should sit on the *Great Place to Live Community Plan Delivery Group*. Members were keen for the sector to have a voice within the borough considering the contribution it makes locally as well as the possibilities around the greater use of the sector.
60. A further issue which was highlighted by the Landlord's Forum was that many Tower Hamlets landlords or agents operated in other local authorities and attend the Forum where they reside at rather than where their properties are. This made it difficult to engage with a number of landlords. With this, Members suggested that the Landlords Forum should explore developing a regional Landlords Forum in partnership with the other local authorities. This would not only allow greater engagement with those landlords who reside outside of the borough but would also encourage the sharing of best practice and resources amongst local authorities in order to tackle cross borough and London wide issues.

- R7 That the Tower Hamlets Landlords Forum uses local media to increase awareness of the benefits of the London Landlord Accreditation Scheme (LLAS) and publicises which local landlords are accredited and registered on its website
- R8 That the Tower Hamlets Landlords Forum and Tower Hamlets Homes publicise the Landlords Forum through the greater use of local media and an annual "*Landlord of the Year*" award
- R9 That a representative from the Tower Hamlets Landlords Forum have a standing invitation on the Great Place to Live Community Plan Delivery Group
- R10 That the Development and Renewal Directorate support private landlords access grant or loan funding to improve the quality and energy efficiency of the PRS
- R11 That the Tower Hamlets Landlords Forum takes lead in exploring the development of a regional landlord's forum

61. Members noted that discussions took place with regards to the need for a Housing Benefits Officer to be based with the Housing Advice Team. This would be to advise on aspects of the Rent Deposit Scheme, for a few days a week although this request was turned down. However, it was later suggested that the officer may have limited work to do. Members were keen to find out why this was the case and if there was a need for an officer to be based with the Housing Advice Team, then it should potentially be looked into again.

62. Members at the session heard a number of concerns from landlords relating to the payment of Housing Benefits to them from the Council through tenants. It was highlighted that Tower Hamlets were either the only or one of a few local authorities in London who still paid housing benefits through cheques and not BACs; this had a knock on effect on landlords due to late payments.
63. Another concern included the notion that housing benefits were being paid straight to tenants through the new system, this again meant that landlords were receiving payments late. Further potential problems included when tenants were in overdraft and half of their housing benefit was taken away to pay for overdraft fines. This again had a knock on effect on landlords receiving payments. Also highlighted was that the local authority does not email its schedule of payments and this goes through the post which potentially delays payment to landlords again.
64. Members heard from the Housing Benefits Services on the current local housing benefit policies along with the national aims of the Local Housing Allowance (LHA) which included the notion of personal responsibility as part of the government's agenda to tackle the perception of "*a nanny state*". This looked at encouraging and supporting residents to be more independent and active rather than reliant on the state. Furthermore, the LHA at a local level supported financial inclusion by encouraging residents to open bank accounts and an improved and faster process by the housing benefit service.
65. Key aspects of LHA payments were also highlighted, in particular that the LHA should go to the tenant and not the landlord which has been made clear by government. There is however some instances where it can be paid to the landlord if the local authority consider the tenant to have difficulties in managing their affairs; however there is a requirement by the local authority to regularly review this. The local authority must pay the landlord in instances where the tenant has rent arrears of 8 weeks or more and where the Department for Work and Pensions are making deductions from any income support or jobseekers allowance to pay of rent arrears.
66. It was highlighted that Payment of LHA is through either bank cheque or BACs. The latter is now encouraged with the service producing information and advice for tenants on opening a bank account. The service is committed to moving to BACs and this is currently available to landlords as part of a phased approach. However this may create some issues with vulnerable claimants in wanting to open up a bank account. In terms of schedules the service emails this to RSLs and landlords upon request, however this is resource intensive as the current IT system is not designed for mailing. In addition it is also a legal requirement for Council's to post a hard copy of schedules to landlords.
67. The service has a number of new initiatives in place at the moment including the use of new technology mobile tablets which are used during home visits in order to reduce the number of defective claims. The service also has future initiatives in the pipeline including the use of a new on-line claim form which would drastically reduce the current 22 day turnaround; there has also been positive feedback here from customers.

- R12 The Housing Benefits Service continue moving from a process of paying housing benefits through cheques to payments through BACs
- R13 The Housing Benefits Service explore the possibility of sending schedules of payment to landlords through email along with written copies to increase efficiency
- R14 That the Housing Benefits Services and Housing Advice Service explore the possibility of a Benefits Officer being based within the Housing Advice Team

Conclusion

68. The PRS has been described as being very complex with many subdivisions and in turn devising recommendations for the sector is challenging, particularly in an era where housing policy is constantly changing.
69. The Working Group recognised the good work that is already being delivered by the Council and its partners with regards to the PRS and in particular the services of the Private Sector and Affordable Housing Team, The Environmental Health Team, The Housing Benefits Services and the Homeless and Housing Advice Services.
70. In addition to these the Working Group heard from external organisations such as Tower Hamlets Homes, the National Landlords Association and Queen Mary College. Registered Social Landlords including Poplar HARCA and East Thames Housing also gave evidence. Furthermore national charities Praxis, Shelter, Crisis and Look Ahead put forward their experiences of the PRS.
71. A number of recommendations have been put forward for consideration. At the heart of these recommendations include the need to develop a new Private Sector Housing Strategy in order to understand and analyse the current status of the sector locally. The review recognised that the private sector can no longer be the sector of default but rather needs to be the sector of choice for many of our local residents. Furthermore, there was a need to move away from a policy of enforcement to one of self regulation by increasing our support for good landlords. There was a need to publicise the work of good landlords and endorse them on the Council's website. Good landlords should also be supported in accessing grant or loan funding to improve the quality and energy efficiency of their properties. Members felt that landlords should also have a greater voice by having a standing invitation on the Great Place to Live Community Plan Delivery Group.
72. With expected cuts in public services looming the Working Group suggested the urgent need to work in greater partnership with organisations who have an interest and are effected by the PRS and in particular the issues relating to Health and Housing. Members were also keen for the borough to explore developing models to see the feasibility of providing a full management service for those leaseholders that are sub-letting their properties.
73. On a final note, the Working Group hope that the recommendations of this report go some way in strengthening the PRS for the benefit of both tenants and landlords in the borough and provide a real alternative to many of the residents seeking sustainable housing in Tower Hamlets.

Scrutiny and Equalities in Tower Hamlets

To find out more about Scrutiny in Tower Hamlets:

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Appendix 2 - Response to Scrutiny Review Working Group Report on Private Rented Sector

Recommendation	Response / Comments	Responsibility	Date
<p>R1 That the Development and Renewal Directorate develops a new Private Sector Housing Strategy which incorporates recommendations from this review and issues highlighted in the Housing Strategy and Housing and Homelessness Strategy</p>	<p>This in the Directorate Plan and a steering group will be set up and will meet in July 2010. This will need to be done. More importance will be placed on how we use the private rented sector. There are no financial implications.</p>	<p>Alison Thomas (Private Sector and Affordable Housing Manager)</p> <p>John Coker (Strategic Housing Manager)</p> <p>Colin Cormack (Service Head, Housing Options)</p>	<p>January 2011</p>
<p>R2 That the Development and Renewal Directorate undertake a full Private Sector Stock Condition Survey to provide an evidence base for the Private Sector Housing Strategy and the update to the Private Sector Housing Renewal and Empty Properties Framework</p>	<p>This is in the Directorate Plan and the Private Housing Improvement Team Plan. The funding for this Survey has been identified and officers are now researching similar surveys in other London Boroughs. We have a statutory duty to assess the Boroughs private sector housing stock every five years. The last Private Sector Stock Condition Survey was published in 2004. We are currently commissioning a new Private Sector Stock Condition Survey with the help of BRE. Costs are expected to be in the region of £80k. We have identified a budget for the project are now in contact with BRE. We are also under a statutory duty to have an up to date Private Sector Housing Renewal Policy. The current policy expired in 2009. We cannot produce a new policy without the evidence base.</p>	<p>Alison Thomas (Private Sector and Affordable Housing Manager)</p> <p>Alan Warner (Private Sector Housing and Home Improvement Agency Co-ordinator)</p>	<p>January 2011</p>

<p>R3 That the Development and Renewal Directorate, Tower Hamlets Homes and local Registered Social Landlords explore the feasibility of providing a full management service for leaseholders that sub-let their properties</p>	<p>D&R have recently selected 15 RSL's as preferred development partners with the borough, the Housing Strategy also seeks an action that requires all local registered partners to improve their standard of management, this action can be incorporated into the developing Action Plan for the preferred partner process. There are no financial implications.</p>	<p>John Coker (Strategic Housing Manager)</p>	<p>March 2011</p>
<p>R4 That the Communities, Localities and Culture Directorate develops a partnership strategy which includes NHS Tower Hamlets, the London Fire Brigade and the third sector to deal with homes in poor condition. This should include the sharing of resources as highlighted by the Healthy Homes programme in Liverpool City Council</p>	<p>The Environmental Protection Service will establish links with the PCT and the voluntary sector to tackle poor housing conditions and poor health in the rented sector throughout the borough. Referrals can then be made to these partners, for a range of support services to improve the residents' quality of life, for example, health issues, Fire Safety. Information from the proposed Private Sector Condition Survey will help formulate the focus of the strategy. Funding will need to be sought for this additional proactive workload as our current resources would not enable us to take on this extra workload</p>	<p>Jane Gardner-Hayter (Acting Team Leader, Environmental Control)</p>	<p>October 2010</p>

<p>R5 That the Development and Renewal Directorate commit to utilising Private Rented Sector stock to its full capacity instead of using bed and breakfast and hostels where possible</p>	<p>The need to rely on this resource for emergency situations remains but the use of B&B has diminished considerably in the last 12 months. It would be reasonable, in the context of some 1,800 temporary accommodation placements, to commit to continue this reduction by setting a ceiling of a maximum of no more than 5% placements being in B&B. Hostels are typical used for non-statutory homeless households and remain a vital source of accommodation, particularly where modest support needs are necessarily. It would be inappropriate then not to continue to use hostel accommodation. There are no financial implications.</p>	<p>Colin Cormack (Service Head, Housing Options)</p>	<p>March 2011</p>
<p>R6 That the Environmental Health Team implements the new powers given to local authorities which allows the licensing of all landlords including those with Houses of Multiple Occupations (HMOs)</p>	<p>The Environmental Protection Service will review the effectiveness of the current Licensing Scheme. Information from the proposed Private Sector Condition Survey will help identify problem areas and the Service will need to work together with the Anti Social Behaviour Team. Funding will need to be sought for any further Licensing schemes.</p>	<p>Jane Gardner-Hayter (Acting Team Leader, Environmental Control)</p>	<p>November 2010</p>
<p>R7 That the Tower Hamlets Landlords Forum uses local media to increase awareness of the benefits of the London Landlord Accreditation Scheme (LLAS) and publicises which local landlords are accredited and registered on its website</p>	<p>We will place an article into East End Life to publicise both the Landlords Forum and the accreditation scheme and ensure the website is updated. There are no financial implications in delivering.</p>	<p>David Gingell, (Service Manager-Housing Advice)</p>	<p>September 2010</p>

<p>R8 That the Tower Hamlets Landlords Forum and Tower Hamlets Homes publicise the Landlords Forum through the greater use of local media and an annual “<i>Landlord of the Year</i>” award</p>	<p>The service will explore the possibility of developing an annual awards ceremony and look at best practice from other boroughs who may already have this in place. There are no financial implications in delivering.</p>	<p>David Gingell, (Service Manager- Housing Advice)</p>	<p>September 2010</p>
<p>R9 That a representative from the Tower Hamlets Landlords Forum have a standing invitation on the Great Place to Live Community Plan Delivery Group</p>	<p>Request was put forward to the Great Place to Live CPDG Co-chairs and members at the 8th June 2010 GPtL CPDG meeting. The group agreed to have a representative from the Tower Hamlets Landlords Forum so they receive a standing invitation on the GPtL CPDG. Tower Hamlets Partnership Governance Officer has now invited a representative to attend future meetings. There are no financial implications for delivering this recommendation.</p>	<p>Afiya Begum (Governance Team Leader)</p>	<p>September 2010</p>
<p>R10 That the Development and Renewal Directorate support private landlords to access grant or loan funding to improve the quality and energy efficiency of the PRS</p>	<p>The new Private Sector Housing Renewal and Empty Property Policy will be launched in February 2011 which will incorporate this. This will then be widely publicised. These grants will be discretionary and dependant on funding – either sub regional TFS or LPP.</p>	<p>Alison Thomas (Private Sector and Affordable Housing Manager)</p>	<p>February 2011</p>

<p>R11 That the Tower Hamlets Landlords Forum takes a lead in exploring the development of a regional landlord's forum</p>	<p>Tower Hamlets already plays an active part in the London Landlords Forum and London Landlords Day. We are members of the London Landlord's Accreditation Scheme and joint hosts of London Landlords Day. Costs are currently met from the sub-regional TFS. If the Borough had to support these costs it would be in the region of £3,000 pa</p>	<p>Alison Thomas (Private Sector and Affordable Housing Manager)</p>	<p>July 2010</p>
<p>R12 The Housing Benefits Service continue moving from a process of paying housing benefits through cheques to payments through BACs</p>	<p>This process has commenced and further roll out is included as part of the Benefits Service Team Plan for 2010/11. The Benefits ICT system now has this functionality, however Corporate ICT are required to automate the interface process between the Councils Financial Systems and the Benefits System. This is still achievable and desirable. The move from Cheque payments to BACs payments would deliver savings as the method of payment itself is cheaper. The Benefits Service has included this work as part of its current year Team Plan and therefore the necessary finance for the ICT development has already been secured by the Service.</p>	<p>Steve Hill (Benefits Service Manager)</p>	<p>December 2010</p>
<p>R13 The Housing Benefits Service explore the possibility of sending schedules of payment to landlords through email along with written copies</p>	<p>Data Protection issues associated with sending emails including Benefits payment details to Landlords. However, the benefits Service and Corporate ICT are exploring the possibility of providing Landlords with access to their own schedules electronically.</p>	<p>Steve Hill (Benefits Service Manager)</p>	<p>December 2010</p>

to increase efficiency	Mindful of this recommendation, the Benefits Service has procured the "Landlord Portal" as part of the Council's core Benefits ICT system. The Portal should enable Landlords to securely access their payment schedules by direct access to the Council's Benefits system. The "Landlord Portal" requires testing and work on satisfying Security access but the necessary finance for this ICT development has been secured by the Benefits Service. It is envisaged that enabling the necessary ICT Security access may take several months to implement.		
R14 That the Housing Benefits Services and Housing Advice Service explore the possibility of a Benefits Officer being based within the Housing Advice Team	This issue has been explored. Agreed that the problems are around gathering of information and evidence in support of the Claim (as all New Claims are processed on average within 20 days of receipt of the Claim being made). The Benefits Service Review will include a Visiting Officer resource for the Family Rent Deposit Scheme and the provision of a new "Assisted Claim" process. Key to the "Assisted Claims" process is the roll out of electronic Benefit Claim forms identified in the Channel Strategy as way of making efficiencies. The cost of implementing this ICT enhancement will be met from the Benefits Service budget, it is expected that implementation costs will be minimal. ICT Security access for this initiative may take several months to implement.	Steve Hill (Benefits Service Manager)	September 2010

Agenda Item 6.6

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Development and Renewal Originating officer(s) Andy Algar Service Head, Asset Management		Title: Poplar Baths – proposed procurement route Wards Affected: Limehouse	

Lead Member	Cllr Jones, Culture and Creative Industries
Community Plan Theme	A great place to live
Strategic Priority	Strengthening and connecting communities by ensuring communities have good access to a full range of facilities - including health services, schools and leisure

1. **SUMMARY**

- 1.1 This report details sets out details of the proposed procurement route to seek tenders for the refurbishment of Poplar Baths

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Approve the proposed procurement route and authorise the Corporate Director, Development and Renewal to commence the process to invite developers/contractors to express an interest in the scheme by completing a pre qualification questionnaire.
- 2.2 Note the capital funding requirement and the fact that the procurement process cannot proceed to shortlist phase without funding being in place.
- 2.3 Instruct the Corporate Director, Development and Renewal to explore the scope for the capital receipt from any enabling development on Housing Revenue Account land being used to support this scheme.

3. REASONS FOR THE DECISIONS

- 3.1 To enable progress to be made on the procurement of a developer/contractor to provide new leisure facilities on the Poplar Baths site.

4. ALTERNATIVE OPTIONS

- 4.1 Cabinet has previously decided to pursue a proposal to bring the baths back into use.

5. BACKGROUND

- 5.1 In March 2010 Cabinet agreed a proposal to pursue design work on a new baths to what is known as Design Stage D - this is defined as "*Development of concept design to include structural and building services systems, updated outline specifications and cost plan*". It is a precursor to be able to finalise a full specification to enable works to be formally tendered. The costs of this initial design work was estimated at £516,000
- 5.2 These costs excluded any design work for the proposed enabling development.
- 5.3 Officers have reviewed possible options for the delivery of the scheme and are proposing an alternative procurement route which will significantly reduce up front revenue costs and also enable developers/contractors more scope to innovate in both design and driving value via any enabling development. The revised procurement route will not alter the overall timescale.

6. BODY OF REPORT

- 6.1 The previous report highlighted the costs of taking the design forward and also the risks of these costs potentially being required to be funded from mainstream revenue in the event of the scheme not proceeding for any reason. There is also a requirement to find funding for the design of the enabling development. Given the worsening financial climate officers decided to review options for design to establish whether the same outcomes could be achieved without the same level of up front revenue exposure
- 6.2 An alternative procurement route is being suggested – this will reduce up front revenue costs and should encourage innovation from contractors/developers (as they will seek competitive advantage to make the lowest bid for the works) but still gives the Council significant influence over final design.

- 6.3 It is suggested that the following procurement route is adopted (the Council is working on a similar basis with Poplar HARCA on the proposed regeneration of Chrisp Street market). The main difference is that the Council does not do detailed design work itself but sets out an initial broad specification for contractors/developers to work against.
- 6.4 The revised process is summarised below
- Procure and appoint advisory team for procurement process
 - Commence OJEU procurement process for developer/contractor.
 - Stage 1 developer selection (based on financial and technical issues including design quality/track record).
 - Short listed developers asked submit a response to the Invitation to Tender which will include firming up design proposals and bids
 - Preferred developer selected
 - Contract completed
 - Detailed design concluded and agreed
 - Commencement of works
- 6.5 The previous Cabinet report suggested the new facilities could be opened in 2013/14 and this revised works to the same timescale so no time is lost.
- 6.6 The Council will be unable to go beyond Stage 1 developer selection unless committed capital funding is in place. Therefore, capital will need to be allocated as part of the budget setting process for 2011/12 onwards.
- 6.7 The previous report identified that this proposal has a significant capital requirement that can only be partially offset by possible enabling development. Depending on the option selected the council capital funding needed for the redevelopment of Poplar Baths will range between £7.1m and £16.6m. These figures would need to be adjusted to reflect building cost inflation.
- 6.8 The earlier decision agreed that part of the enabling development (i.e. residential development to off-set scheme costs) occurs on land that is currently held by the Housing Revenue Account (HRA). There are restrictions on what HRA capital receipts can be spent on and officers will need to explore the financial and legal issues around this. If this cannot be resolved then the capital cost of the scheme will increase.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 Further to Cabinet's consideration of the 'Poplar Baths Development Plans' report on 10 March 2010, this report seeks approval for a proposed procurement route to seek tenders for the refurbishment.
- 7.2 Capital cost implications of the proposal were detailed in the previous report to Members and indicated that the cost of the redevelopment of the facility will range between £7.1m and £16.6m, dependent upon the option to be pursued and the results of detailed design work required to address risks associated with the project. These estimates are based on current prices and are therefore subject to market fluctuations (see paragraph 6.4). Progressing the scheme beyond RIBA Design Stage D will depend upon a financially affordable solution being identified, including funding from the Council.
- 7.3 An option that has been proposed to provide funding towards the scheme is that the project will be partly financed from the application of capital receipts realised from the development of Housing Revenue Account land. Under the present arrangements only 25% of the capital receipt from a dwelling or 50% from housing land can be used for general capital purposes. The remainder of the capital receipts are pooled and paid to the Government.
- 7.4 Cabinet in March resolved that officers be directed to allocate sufficient resources from available developer contributions to cover the costs of the Poplar Baths restoration and leisure centre scheme development to RIBA (Royal Institute of British Architects) Design State D; Funding for the initial work to manage the procurement process will be considered at a meeting of the Planning Contribution Overview Panel in August and an update will be provided at the Cabinet meeting. If a capital budget for the development is approved in future, then all procurement and project management costs associated with the scheme must be incorporated.
- 7.5 Members should be aware that if the Poplar Baths project were not to move beyond the design stage, developer contributions will have contributed to the design only, with no resulting facilities improvement. As a consequence, there is a risk that at that stage, developers might wish to request repayment of contributions made.
- 7.6 The initial design contract must only be let with the full support and involvement of the Authority's procurement and legal teams, and it is essential that the Authority does not commit itself to any funding beyond this initial stage.
- 7.7 Once the design process is complete further reports must be submitted to Cabinet to enable Members to take a fully informed decision before any formal commitment can be made to incurring further expenditure on capital works.

7.8 The revenue implications of the project must be considered in any future reports. These costs have not been factored into the Council's medium term financial strategy and as a consequence options to identify necessary funding would need to be determined.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

8.1 Section 3 of the Local Government Act 1999 requires best value authorities, including the Council, to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness"

8.2 The procurement procedure described above complies with EU and UK law and the Council's procurement procedures. It is open for Cabinet to conclude that the proposed procurement plan will result in best value having regard to the duty outlined above. As the procurement is a two stage process the Council can begin work on the project, examine the developers' proposals and then identify the capital resources necessary to complete the project.

8.3 As it is likely the development scheme will involve a transfer of an interest in the land in any pre-contract discussions, officers will need to have regard to the power in section 123 of the Local Government Act 1972 for the Council to dispose of land and the need to get the best consideration reasonably obtainable unless the Secretary of State consents to the disposal. Officers will have to examine any proposal and take legal advice to ensure that it complies with the public procurement regulations. There is an exemption for straightforward disposals of land, but care will need to be taken with any proposal that involves development of the site. Any development project worth over £3.5 million is subject to the EU public procurement regulations.

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 It is a priority of the Council through the Leisure Facilities Strategy and the Local Development Framework to ensure continued access to indoor sports facilities to all sections of the community. As such this report is consistent with the Council's duties to promote equality in the areas of race, gender and disability

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 Leisure facilities by their very nature have high energy demands. The Leisure Facilities Strategy identifies the need to reduce the carbon emissions from the Council's leisure facilities wherever possible. Any specification for bringing Poplar Baths back into use will include measures which seek to maximise energy efficiency within the constraints of the listing and the cost envelope of the scheme.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 A risk register is attached as Appendix 1. These risks will be managed as part of the project management process.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 Poplar Baths are located in a prime location within the Chrisp Street town centre and adjacent to a busy Docklands Light Railway station. The redevelopment of a building which is currently boarded up is likely to have a positive impact on perceptions of personal safety. A re-opened leisure centre in this location would provide an active frontage and passive surveillance of the southern side of East India Dock Road.
- 12.2 Research commissioned by Sport England has found that appropriately designed sports activities and facilities can reduce the likelihood of people participating in crime or anti-social behaviour. It does so by addressing some of the factors that increase the risk of offending, and by strengthening some of the protective factors that reduce the likelihood of crime.

13. EFFICIENCY STATEMENT

- 13.1 The Leisure Facilities Strategy requires that any detailed proposals must take into account the following key efficiency criteria
- Wherever possible wet and dry facilities should be brought together as this reduces the subsidy requirement and allows the Council to potentially benefit from profit share arrangements embedded in the leisure management contract.
 - Facilities should be located in the most accessible locations to benefit from high footfall and generate the highest possible use of facilities, ensuring reduced cost per visit and potential increases in income for future investment.
- 13.2 Controlling energy costs must be a key consideration for all investment in new leisure facilities. Improving energy efficiency will in turn benefit the Council through the leisure management contract surplus share arrangements with its current contractor.

14. APPENDICES

Appendix 1 – Risk Register

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of "background papers"

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

None

N/A

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Appendix 2 – Highlight Risk Register

Ref	Risks	Internal Controls Existing	Likelihood	Impact	Total
1	Outline options were developed on the basis of sketch schemes only and capital costs are therefore indicative. As the preferred option is being developed to RIBA Stage D, the capital cost requirement may change.	Further report to Members upon conclusion of RIBA Stage D design and prior to moving to construction stage.	3	3	9
2	Significant developer contributions have been agreed on a number of large-scale office developments in the Canary Wharf area. These could contribute to the funding package required to reinstate Poplar Baths. Due to the ongoing recession, there is greater uncertainty than usual about the point at which these contributions may trigger and become available to the Council. Delay or non implementation of developments could result in a funding package not coming together at the most advantageous point.	Further work to be undertaken in parallel to the development of the design process to quantify risks associated with individual contributions currently contained within s106 legal agreements.	2	3	6
3	Outline revenue modelling is based on standardised assumptions about the operation of leisure facilities comprising certain leisure elements (gym, sports hall, swimming pool) and assumed staffing levels. Different options will result in different revenue implications as outlined in the report. The revenue position for the preferred option may change as detailed design and facility mix will inform detailed revenue modelling.	Further detailed revenue modelling to be carried out alongside design process and leisure management contractor involvement in design process to design efficient facilities. Modelling results to form part of further Cabinet report.	3	3	9
Page 187	Poplar Baths is a historic structure which has been disused for a number of years. Prior to this, it was used as a construction training facility and this use may have impacted on the historic fabric of the building. It is not presently known what the level of deterioration of the historic building fabric is. This may impact on the restoration costs.	Full structural survey to be conducted following clearing out of the building (currently in progress). Contingency of 20% included in all capital cost estimates.	3	3	9
5	Capital receipt not being achieved.	Any Poplar Baths refurbishment scheme, which relies on enabling development as a generator for capital subsidy can only progress in tandem with or after the enabling scheme's development. At the point at which the scheme has been developed to RIBA Design Stage D, land values associated with enabling development would be reviewed. Indicative land values would be reviewed as part of the	3	3	9
6	Fixed dependency on a single subsidy mechanism. The route for enabling development may change as new opportunities arise over time and the Council will need to keep this under review.	Further work to be undertaken by the Director of Development & Renewal to develop options for enabling development.	2	4	8

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Agenda Item 6.7

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Aman Dalvi Originating officer(s) Peter Hamilton Head of Building Control		Title: Building Control Charges Wards Affected: All	

Lead Member	Councillor Marc Francis
Community Plan Theme	Great Place to Live
Strategic Priority	

1. **SUMMARY**

- 1.1 Councils are authorised to fix charges by means of a scheme to recover costs associated with the performance of functions relating to building regulations and this report recommends the adoption of a new scheme of building regulations charges in accordance with the requirements of the Building (Local Authority Charges) Regulations 2010.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Agree the London Borough of Tower Hamlets Building Regulations Charging Scheme No1 2010 in Appendix A
- 2.2 Authorise the Corporate Director Development and Renewal to approve standard charges tables in the proposed charges scheme and to amend, revoke or replace any future London Borough of Tower Hamlets Building Regulations Charging Scheme made under the Building (Local Authority Charges) Regulations 2010.

3. **REASONS FOR THE DECISIONS**

- 3.1 The Building (Local Authority Charges) Regulations 2010 authorise local authorities to fix by means of a charges scheme for and in connection with the performance of their functions relating to building regulations.

- 3.2 This report seeks to establish a scheme and the means to ensure that this is regularly reviewed and updated to ensure costs associated with the function are fully recovered.

4. ALTERNATIVE OPTIONS

- 4.1 The fixing of a charges scheme is mandatory. The Regulations specify the basis on which charges may be determined. For reasons set out in the report it is considered that the proposed scheme best complies with the requirements of the Regulations.

5. BACKGROUND

- 5.1 Local Authorities have been authorised to set down scales of fees for the performance of their building control functions since the 1st April 1999. In 2009, the Government published a consultation paper '*Proposed Changes to the Local Authority Building Control Charging Regime*' which took into account the responses received to the previous consultation paper '*The Future of Building Control*'.
- 5.2 Following responses to the consultations, The Building (Local Authority Charges) Regulations 2010 were laid before Parliament on the 25th February 2010 and came into force on the 1st April 2010. The Council is obliged to make a new charging scheme under the regulations by the 1st October 2010.

6. BODY OF REPORT

- 6.1 The Building (Local Authority Charges) Regulations 1998, which came into force on the 1st April 1999, for the first time required each local authority to prepare a scheme fixing charges for the performance of their building control functions aimed at recovering the cost of the service. The Tower Hamlets Building Regulations Charges Scheme No.1 was made on the 1st April 1999, and subsequent amending charges schemes have been made since then.
- 6.2 The Building (Local Authority Charges) Regulations 2010 extend the devolution of building regulation charge setting to local authorities and introduce more flexibility and discretion to enable local authorities to relate their charges to the actual costs of carrying out their main building regulation functions.
- 6.4 A new overriding accounting objective requires local authorities to ensure that "taking one financial year with another" their charges income as nearly as possible equates to the costs incurred by the authority in carrying out their chargeable functions and providing chargeable advice, i.e. to breakeven and achieve full cost recovery.
- 6.5 The regulations also provide that local authorities are required to set out the accounting treatment of income, costs and any surplus income or deficit in an

annual financial statement to be approved by the appropriate local authority officer with the necessary financial authority prior to publication. Local authorities must calculate their charges by relating the average hourly rate of building control officers to the time spent carrying out their building control services in relation to particular building work or building work of particular descriptions. The regulations also provide for an increased number of factors which local authorities can take into account in determining the estimated time to be spent on their building control services.

- 6.6 The Council will have the power to determine standard building regulation charges or individually assessed building regulation charges. A charge can now be made for the giving of chargeable building regulation advice. Where charges are made and the amount of work undertaken will be less than originally estimated, a refund will have to be made. But, conversely, if more work is undertaken than originally estimated, a supplementary charge may be made.
- 6.7 An individual determination can be made in all cases where there is no standard charge or, where one or more standard charges apply to the work, with the agreement of the applicant.
- 6.8 The proposed Tower Hamlets Building Regulations Charging Scheme 2010 made under the Building (Local Authority Charges) Regulations 2010 is shown in Appendix A. The proposed Tower Hamlets Building Regulations Charging Scheme 2010 is based on the London District Surveyors Association Model Charging Scheme 2010, which has been adopted as a model scheme in London.
- 6.9 The new charging scheme should result in fairer charges, helping to avoid under or over charging and the consequent deficits or surpluses arising there from. The regulations introduce more transparency into the building regulations charging regime to safeguard income. The main effect will be to allow local authorities to more accurately relate their charges to the actual costs in carrying out their main building control functions for individual building projects.
- 6.10 The building control function is subject to private sector competition in the form of Approved Inspectors and the new charges are set both to recover costs and in order to remain competitive thereby retaining market share.
- 6.11 The Chartered Institute of Public Finance and Accountancy (CIPFA) has produced an amended guidance document (Local Authority Building Control Accounting Guidance for England and Wales, 2010 edition) to support the new regulations and to isolate chargeable costs from other building control activities. The proposed Building Regulations Charging Scheme 2010 has been prepared based on the CIPFA guidance document.
- 6.12 Cost recovery of all competitive activities is covered by the Building Control trading account. All other non-competitive activities such as enforcement, dealing with dangerous structures; administering Approved Inspector regulations (all as set out in the CIPFA guidance document) are covered by the Building Control revenue account.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report seeks Cabinet approval to agree to the hourly rate to be adopted by the Building Control section in the calculation of its revised charging scheme. This revised scheme is due to come into effect from 1st October 2010. The authority has a statutory duty under the Building (Local Authority Charges) Regulations 2010 to adopt the new legislation by this date.
- 7.2 Under the 2010 Regulations, the authority is required to set an hourly rate which is to be used in the calculation of its charging scheme. Guidance on the calculation of this rate has been supplied by the Chartered Institute of Public Finance and Accountancy (CIPFA) and this has been utilised as necessary.
- 7.3 The draft scheme of charges for which approval is sought is included in appendix A and this includes an hourly rate of £75.13 (point 15).
- 7.4 The hourly rate will be incorporated into the calculation of the standard charges to be implemented from 1st October 2010 and will be inserted into the schedule (see appendix A) as necessary.
- 7.5 Delegated approval is required by Cabinet to allow the Corporate Director of Development and Renewal to approve the standard charges tables in the proposed charges scheme and in addition to amend, revoke or replace any future London Borough of Tower Hamlets Building Regulations Charging Scheme made under the Building (Local Authority Charges) Regulations 2010.
- 7.6 The budgeted expenditure for the service for 2010/2011 on its trading account activity is set out below and is consistent with previous years:
- | | |
|----------------------|-------------------|
| Employees | £1,164,473 |
| Premises | £139,189 |
| Transport | £38,152 |
| Supplies & Services | £138,402 |
| Third Party Payments | £488 |
| Support Services | £88,621 |
| Total | £1,569,325 |
- 7.7 The 2010 Regulations allow the authority to build into the calculation of its hourly rate, an allowance to provide for any previous year surplus or deficits accrued.
- 7.8 Following previous year on year surpluses, the service incurred a loss during the 2009/10 financial year. This is reported in Note 5 of the recently published annual accounts. After applying the previous accrued surpluses, the residual net deficit of £99,000 was funded from corporate balances and must be repaid as a first call against any future surpluses generated.

- 7.9 It should be noted that the failure to break even or generate a surplus in 2010/2011 will require a further movement on corporate balances which will need to be reflected in future fee planning estimates.
- 7.10 The calculation of the 2010/2011 hourly rate (£75.13) has been calculated based on a total cost of £1,668.325 i.e. the budgeted expenditure of £1,569.325 shown above (paragraph 7.6) plus the required repayment of £99,000 to corporate balances.
- 7.11 The Building Control service maintains a detailed activity based time recording system. Based on this, the total number of productive hours to be used in the calculation is 22,206.
- 7.12 The hourly rate for use in the charging scheme has therefore been calculated as follows:
- | | | |
|--------------------------|------------|------------------|
| Target income level | £1,668,325 | (Paragraph 7.9) |
| Divided Productive Hours | 22,206 | (Paragraph 7.10) |
| Hourly Rate | £75.13 | |
- 7.13 The hourly rate of £75.13 will only be used to calculate the scheme of charges for Building Control for the trading account activity. There is expected to be no effect on the general fund budget arising from the implementation of the new regulations.
- 7.14 The 2010 Regulations requires for an annual disclosure to be made by the Section 151 Officer (Director of Resources) setting out the expenditure and income received by the service in their trading activity and the treatment of any surplus of deficit accrued/incurred (paragraph 6.5). It is also expected that there will continue to be disclosure of the performance of the trading activity and revenue of the Building Control department in the Annual Statement of Accounts 2010.

8. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 8.1. Cabinet is asked to agree a new charging scheme for building charges (the Scheme).
- 8.2. The Council is empowered to make a scheme to fix and recover charges by the Building (Local Authority Charges) Regulations 2010, which commenced on 1 April 2010. If Cabinet approves the Scheme, then the Council will have to publish the scheme not less than 7 days before the date on which it is to come into effect.
- 8.3. The functions for which the Council may charge are prescribed in the Regulations and these are correctly reflected in the Scheme.

- 8.4. The overriding principle expressed in the Regulations is that the income derived by the Council from charges should equate as nearly as possible to the costs incurred in performing the chargeable functions. The Regulations specify that charges should be based on an hourly rate at which officer time will be charged and a number of specified factors. The Scheme that has been prepared reflects these requirements.
- 8.5. The Regulations prescribed provisions that schemes must contain in respect of payments, complaints, refunds and supplementary charges. The Scheme is in accordance with these requirements.
- 8.6. It is proposed that a delegation be made to the Corporate Director to amend, revoke or replace the Scheme. This is permissible pursuant to section 14 of the Local Government Act 2000 and paragraph 3.5.1 of the Council's Constitution.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 Regulation 4 of the Building (Local Authority Charges) Regulations 2010 outlines the principles of the charging scheme in relation to building work solely required for disabled persons. No building regulation charge can be authorised in relation to providing means of access solely to an existing dwelling occupied as a permanent residence by a disabled person or for the provision of facilities and accommodation (including the provision or extension of a room in limited circumstances) designed to secure the greater health, safety, welfare or convenience of such a disabled person.
- 9.2 Similarly, no building regulation charge can be authorised in relation to an existing building to which members of the public are admitted in similar circumstances as stated above.
- 9.3 The proposed charging scheme reflects the requirements in the Regulations and it is considered that the scheme is consistent with the Council's positive equality duty in respect of persons with disabilities.
- 9.4 The proposed scheme is based on the principle of cost recovery for individual projects thereby eliminating the potential differential impact associated with cross subsidy which is a feature of the current charges Regulations.
- 9.5 Building Control interacts with all parts of the community and provides a service that benefits all individuals that reside, visit or work as well as all businesses and organisations that trade or operate within the Borough. Service information is provided through the Council's website and officers visiting site. Duty officers are available to assist all service users to understand and achieve the minimum standards required by national building regulations.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 There are no sustainability implications

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 This scheme of charges has been formulated using historic data to ensure the full recovery of Building Control’s competitive costs on a year on year basis.
- 11.2 The scheme will be reviewed quarterly and revised as often as is necessary to ensure that it continues to achieve cost recovery and to fulfil the requirements of the charges regulations.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 There are no crime and disorder reduction implications.

13. EFFICIENCY STATEMENT

- 13.1 A published charges scheme and schedules together with guidance notes will enable customers to clearly understand the process and to make applications in a form that will maximise administrative and officer efficiency.

14. APPENDICES

Appendix A – London Borough of Tower Hamlets Building Regulations Charging Scheme No1 2010

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
CLG Consultation on Proposed Changes to the Local Authority Building Control Charging Regime	Peter Hamilton 020 7364 5254

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**LONDON BOROUGH OF TOWER HAMLETS
BUILDING REGULATIONS CHARGING SCHEME
No1 2010**

LONDON BOROUGH OF TOWER HAMLETS

The Building (Local Authority Charges) Regulations 2010

BUILDING REGULATIONS CHARGING SCHEME No. 1 2010

1. This scheme may be cited as the London Borough of Tower Hamlets Building Regulations Charging Scheme No. 1, 2010 (the Charging Scheme), and comes into effect on the 1 October 2010.
2. This Charging Scheme is made under the Building (Local Authority Charges) Regulations, 2010 (the Charges Regulations). The Charging Scheme includes the following paragraphs and definitions and tables of standard charges and advice on assessed charges, as set out in Annexes A and B respectively, which are an integral part of it. It may be advisable to read this Charging Scheme in conjunction with the Charges Regulations.
3. The London Borough of Tower Hamlets (the Council) is authorised, subject to and in accordance with the Charges Regulations, to fix such charges as it may determine from time to time by means of its Charging Scheme for or in connection with the performance of its functions relating to building regulations (subject to the exception for building work solely required for disabled persons); and to recover those charges from relevant persons as provided by the Charges Regulations.
4. The Council is authorised, subject to and in accordance with the Charges Regulations, to amend, revoke or replace any scheme which has been made by them in accordance with paragraph 2 above.
5. The following definitions apply to this Charging Scheme and should be read in conjunction with the other paragraphs and tables which constitute the Charging Scheme:

'building' means any permanent or temporary building but not any other kind of structure or erection, and a reference to a building includes a reference to part of a building.

'building notice' means a notice given in accordance with regulations 12(2)(A)(a) and 13 of the Building Regulations 2000 (as amended).

'building work' means:

- (a) the erection or extension of a building;
- (b) the provision or extension of a controlled service or fitting in or in connection with a building;
- (c) the material alteration of a building, or a controlled service or fitting;
- (d) work required by building regulation 6 (requirements relating to material change of use);
- (e) the insertion of insulating material into the cavity wall of a building;
- (f) work involving the underpinning of a building;
- (g) work required by building regulation 4A (requirements relating to thermal elements);
- (h) work required by building regulation 4B (requirements relating to a change of energy status);

- (i) work required by building regulation 17D (consequential improvements to energy performance);
- ‘chargeable function’ means a function relating to the following –
- (a) the passing or rejection of plans of proposed building work which has been deposited with the Council in accordance with section 16 of the Building Act 1984 (as amended).
 - (b) the inspection of building work for which plans have been deposited with the Council in accordance with the Building Regulation 2000 (as amended) and with section 16 of the Building Act 1984 (as amended)
 - (c) the consideration of a building notice which has been given to the Council in accordance with the Building Regulations 2000 (as amended)
 - (d) the consideration of building work reverting to the Council under the Building (Approved Inspectors etc.) Regulations 2000 (as amended)
 - (e) the consideration of a regularisation application submitted to the Council under regulation 21 of the Building Regulations 2000 (as amended).

‘chargeable advice’ is a charge made by the Council in relation to a request for building regulation advice as regards any particular case where such a charge is made in anticipation of the future exercise of their chargeable functions in relation to that case, save that no charge is made for the first hour of time spent by an officer of the Council in providing such chargeable advice.

‘cost’ does not include any professional fees paid to an architect, quantity surveyor or any other person.

‘dwelling’ includes a dwelling-house and a flat.

‘dwelling-house’ does not include a flat or a building containing a flat.

‘estimated cost’ in relation to the factors to be taken into account in estimating the time required by officers of the Council for performing a chargeable function or chargeable advice means the amount accepted by the Council as that which a person engaged in the business of carrying out building work would reasonably charge for carrying out the work in question, excluding value added tax and professional fees.

‘financial year’ is the period of 12 months beginning with 1st. April.

‘flat’ means a separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally.

‘floor area of a building or extension’ is the total floor area calculated by reference to the finished internal faces of the walls enclosing the area, or, if at any point there is no enclosing wall, by reference to the outermost edge of the floor.

‘relevant person’ means:

- (a) in relation to a plan charge, inspection charge, reversion charge or building notice charge, the person who carries out the building work or on whose behalf the building work is carried out;
- (b) in relation to a regularisation charge, the owner of the building; and
- (c) in relation to chargeable advice, any person requesting advice for which a charge may be made pursuant to the definition of ‘chargeable advice’

‘total floor area of a building’ is the total of the floor area of all the storeys which comprise that building.

'total floor area of an extension' is the total of the floor areas of all the storeys in the extension.

6. The Council has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing dwelling which is, or is to be, occupied by a disabled person as a permanent residence; and where the whole of the building work in question is solely-
 - (a) for the purpose of providing means of access for the disabled person by way of entrance or exit to or from the dwelling or any part of it, or
 - (b) for the purpose of providing accommodation or facilities designed to secure the greater health, safety, welfare or convenience of the disabled person.
7. The Council will only treat building work as falling within paragraph 6 (b) above, where it is satisfied that such work consists of-
 - (a) the adaptation or extension of existing accommodation or an existing facility or the provision of alternative accommodation or an alternative facility where the existing accommodation or facility could not be used by the disabled person or could be used by the disabled person only with assistance; or
 - (b) the provision of extension of a room which is or will be used solely-
 - (i) for the carrying out for the benefit of the disabled person of medical treatment which cannot reasonably be carried out in any other room in the dwelling, or
 - (ii) for the storage of medical equipment for the use of the disabled person, or
 - (iii) to provide sleeping accommodation for a carer where the disabled person requires 24-hour care.
8. The Council has not fixed by means of its scheme, nor intends to recover a charge in relation to an existing building to which members of the public are admitted (whether on payment or otherwise); and where the whole of the building work in question is solely-
 - (a) for the purpose of providing means of access for disabled persons by way of entrance or exit to or from the building or any part of it; or
 - (b) for the provision of facilities designed to secure the greater health, safety, welfare or disabled persons.

Note: 'disabled person' means a person who is within any of the descriptions of persons to whom Section 29(1) of the National Assistance Act 1948, as extended by virtue of Section 8(2) of the Mental Health Act 1959, applied but disregarding the amendments made by paragraph 11 of Schedule 13 to the Children Act 1989. The words in section 8(2) of the Mental Health Act 1959 which extend the meaning of disabled person in section 29(1) of the National Assistance Act 1948, are prospectively repealed by the National Health Service and Community Care Act 1990, section 66(2), Schedule 10, as from a day to be appointed.

9. The Council is authorised within its Charging Scheme to make a charge for or in connection with each of the following functions which it carries out-

- (a) the passing or rejection of plans of proposed building work deposited with the Council in accordance with Section 16 of the Building Act 1984 (as amended) (referred to as a “plan charge”).
 - (b) the inspection of building work for which plans have been deposited with the Council in accordance with the Building Regulations 2000 (as amended) and with Section 16 of the Building Act 1984 (as amended) (referred to as an “inspection charge”).
 - (c) the consideration of a building notice which has been given to the Council in accordance with the Building Regulations 2000 (as amended) (referred to as a “building notice charge”).
 - (d) the consideration of building work reverting to the London Borough of Tower Hamlets Council under the Building (Approved Inspectors etc.) Regulations 2000 (as amended) (referred to as a “reversion charge”) and.
 - (e) the consideration of an application made to the Council under Building Regulation 21 (unauthorised building work) of the Building Regulations 2000 (as amended) and the inspection of any building work to which the application relates (referred to as a “regularisation charge”).
10. The Council is also authorised within its Charging Scheme to make a charge in relation to a request for advice as regards any particular case where such a charge is made in anticipation of the future exercise of its chargeable functions in relation to that case (referred to as “chargeable advice”); save that no charge is to be made for the first hour of time spent by an officer of the Council in providing such chargeable advice.
11. The Council Charging Scheme has been fixed such that its objective is to ensure that, taking one financial year with another, the income to be derived by the Council from performing chargeable functions and providing chargeable advice (referred to as “chargeable income”) as nearly as possible equates to the costs incurred by the Council in performing chargeable functions and providing chargeable advice (referred to as “chargeable costs”). At the end of the financial year within which the Council first made this Charging Scheme and of each subsequent financial year, the Council will conduct a review of the level of charges set out under this Charging Scheme for the purpose of achieving the Charging Scheme’s objective above.
12. Immediately following the review of the level of charges, the Council will prepare a “building control statement” setting out as regards the financial year to which it relates, the chargeable costs, the chargeable income and the amount of any surplus or deficit. Such “building control statement” will be approved by the Council’s Head of Resources and will be published not more than six months after the end of the financial year to which the statement relates.
13. Each charge determined within the Council Charging Scheme has been related to the costs of providing building regulation services in relation to particular building work or building work of particular descriptions having regard to the objective outlined in paragraph 11 above. Where this Charging Scheme is first made and takes effect at any time other than the beginning of a financial year, the Council will have regard to any estimated surplus or deficit arising for that part of the financial year for which its existing scheme made under the Building (Local Authority Charges) Regulations 1998 continues to have effect.

14. The costs of providing Council building regulation services in relation to chargeable functions or chargeable advice will be calculated using the hourly rate at which the time of its officers will be charged in paragraph 15 and the factors paragraphs 17 and 18, in the manner specified in paragraphs 19 and following.
15. The hourly rate of London Borough of Tower Hamlets Council building regulation officers has been calculated as £75.13 /hr
16. Where the Council considers it necessary to engage and incur the costs of a consultant to provide specialist advice or services in relation to a particular aspect of building work, those costs will be included in the determination of the charges referred to in this Charging Scheme.
17. In calculating the costs and in estimating the time required by its officers for performing a chargeable function or providing chargeable advice (in relation to particular building work or building work of particular descriptions), both in relation to standard and assessed charges, the London Borough of Tower Hamlets Council has taken or will take some or all of the following factors into account:
 - (a) the existing use of a building, or the proposed use of the building after completion of the building work;
 - (b) the different kinds of building work described in regulation 3(1)(a) to (i) of the Building Regulations 2000 (as amended). (*see definition of 'building work' in paragraph 5 above*);
 - (c) the floor area of the building or extension. (*see definitions of 'floor area of a building or extension', 'total floor area of a building' and 'total floor area of an extension' in paragraph 5 above*);
 - (d) the estimated duration of the building work and the anticipated number of inspections to be carried out.
18. In calculating the costs and in estimating the time required by its officers for performing a chargeable function or providing chargeable advice (in relation to particular building work or building work of particular descriptions), in relation to assessed charges for individual projects, the Council will take some or all of the following additional factors into account in assessing the charges:
 - (e) the estimated cost of the building work;
 - (f) the nature of the design of the building work and whether innovative or high risk construction techniques are to be used; and
 - (g) whether the person who intends to carry out part of the building work is a person named in a self-certification scheme or list of exemptions under schedule 2A of the Building Regulations 2000 (as amended); or is carrying out the descriptions of work where no building notice or deposit of full plans is required under schedule 2B of the Building Regulations 2000 (as amended) both as mentioned in building regulation 12(5), or is a person who is registered by the British Institute of Non-destructive Testing under regulation 20B(4) of the Building Regulations 2000 (as amended);
 - (h) whether in respect of the building work a notification has been made that design details approved by Robust Details Limited are to be used as outlined in regulation 20A(4) of the Building Regulations 2000 (as amended);

- (i) whether an application or building notice is in respect of two or more buildings or building works all of which are substantially the same as each other;
 - (j) whether an application or building notice is in respect of building work which is substantially the same as building work in respect of which plans have previously been deposited or building works inspected by the Council;
 - (k) whether chargeable advice has been given which is likely to result in less time being taken by the Council to perform the chargeable function; and
 - (l) whether it is necessary to engage and to incur the costs of a consultant to provide specialist advice or services in relation to a particular aspect of the building work.
19. The Council has determined standard building regulation charges for building work or building work of particular descriptions. These are set out in a schedule of standard charges listed in Annex A). In preparing these, the Council has taken into account the hourly rate in paragraph 15 and the factors listed in paragraph 17 above.
20. Charges for work outside that covered by the standard charges in Annex A will be subject to an individual assessment.
21. On receipt of a request for advice, an application or notice relating to particular building work, the Council in determining its building regulation charges by reference to an individual assessment of the charge to be made (see guidance on assessed charges in Annex A), will take into account the factors listed in paragraphs 17 and 18 above and such individually determined charges will be confirmed in writing specifying the amount of the charge and the factors which have been taken into account.
22. No charge will be made for the first hour of an officer's time in respect of chargeable building regulation advice given by such officer of the Council.
23. Where in relation to a request from a relevant person, one or more standard charges would apply to the building work in question, the Council may, with the consent of the relevant person, determine the charge otherwise than by applying the standard charge or (in the case of two or more standard charges) aggregating the amounts of the standard charges; and if it does so, it will give the relevant person notice in writing specifying the amount of the charge and the factors which have been taken into account as listed in paragraphs 17 and 18 above.
24. Any plan charge (excluding exception for disabled persons under paragraphs 6, 7 and 8 above) shall be payable when the plans of the building work are deposited with the Council but see also paragraph 35 below.
25. Any inspection charge shall be payable on demand made after the Council carry out the first inspection in respect of which the charge is payable but see also paragraph 35 below.
26. Any building notice charge shall be payable when the building notice is given to the Council but see also paragraph 35 below.
27. Any reversion charge shall be payable for building work in relation to a building-

- (i) which has been substantially completed before plans are first deposited with the Council in accordance with regulation 20(2)(a)(i) of the Building (Approved Inspectors etc.) Regulations 2000 (as amended)
- (ii) in respect of which plans for further building work have been deposited with the Council in accordance with regulation 20(3) of the Building (Approved Inspectors etc.) Regulations 2000 (as amended),

on the first occasion on which those plans have been deposited.

- 28. Any regularisation charge shall be payable at the time of the application to the Council in accordance with regulation 21 (unauthorised building work) of the Building Regulations 2000 (as amended).
- 29. Any charge for chargeable advice shall be payable on demand after the Council has given notice to the relevant person in writing specifying the amount to be charged and the factors which have been taken into account as listed in paragraphs 17 and 18 above.
- 30. Any plan charge, inspection charge, building notice charge, reversion charge, regularisation charge and charge for chargeable advice is to be payable by the relevant person (*see definition, paragraph 5 above*).
- 31. Any charge which is payable to the Council shall be paid together with an amount equal to any value added tax payable in respect of that charge.
- 32. The building notice charge is equal to the plan charge plus the inspection charge for the corresponding building work using the tables of standard charges (Annex A).
- 33. The reversion charge is individually determined.
- 34. The regularisation charge is 25% greater than the plan charge plus the inspection charge for the corresponding building work using the tables of standard charges (Annex A).
- 35. Any charge which is payable to the Council, for chargeable building regulation services or chargeable advice, may in a particular case, and with the agreement of the Council be paid in instalments of such amounts payable on such dates as may be specified by the Council. All instalments must be paid to the Council before the completion of building work.
- 36. There is no entitlement to a complete refund of any regularisation charge paid, if the Council, after incurring costs, subsequently cannot determine what work is required to comply with the relevant requirements.
- 37. Where plans are deposited and no plan charge has been payable or agreed charges instalments have not been made, the plans are not considered as being deposited in accordance with building regulations for the purposes of section 16 of the Building Act, 1984 (as amended).

38. Where a building notice is given and no building notice charge has been payable or agreed charges instalments have not been made, the building notice is not considered as being valid in accordance with building regulations.
39. Where an individual assessment of a plan charge or building notice charge has been made, (other than a standard charge) any individually assessed plan charge or building notice charge shall not be payable until such plan charge or building notice charge has been specified by the Council and confirmed in writing if such confirmation is provided later than the deposit of the plan or (as the case may be) the giving of the building notice.
40. The Council is authorised to require the supply of any information where such information is necessary to determine any building regulation charge listed in paragraph 9 above.
41. The Council operates, maintains and makes available on request, to any interested party, an appropriate complaints procedure regarding its building regulations services. If a person is dissatisfied with the decision made relating to the determination of charges for building work and wishes to make a complaint, such complaint will be dealt with within the Council's agreed complaint's procedure. In the first instance, such complaints should be addressed at a local level to:

Head of Building Control
Mulberry Place (AH)
PO Box 55739
5 Clove Crescent
London
E14 1BY
T 020 7364 5254

42. Where for any reason (except where the person by whom or on whose behalf plans were deposited fails to supply information necessary to meet the Council's duty under section 16 of the Building Act, 1984) the Council do not give notice of passing or rejection of plans within the period required by Section 16 of the Building Act 1984 (as amended), any plan charge paid will be refunded.
43. No refund will be given by the Council where the reason for not giving notice of passing or rejection of plans within the period required by section 16 of the Building Act, 1984 is due to the failure by the person by whom or on whose behalf the plans were deposited to supply information within a reasonable time, necessary to meet the Council's duty under that section.
44. Where the Council has determined a charge in relation to a chargeable function or chargeable advice, payment of the charge has been made to the Council and the actual amount of work required of an officer of the Council is less than that which was originally assessed, the Council (subject to paragraph 44 below) will make a refund in respect of the proportion of the charge relating to the excess payment.

45. Where the Council has determined a charge in relation to a chargeable function or chargeable advice, payment of the charge has been made to the Council and the actual amount of work required of an officer of the Council is more than that which was originally estimated in the assessment, the Council (subject to paragraph 45 below) will raise a supplementary charge in respect of any additional work carried out its officer.
46. In relation to the assessment of a refund or supplementary charge, the Council will discount one hour of an officer's time from the calculation of the refund or, as the case may be, the supplementary charge.
47. Where in respect of plans deposited with the Council under section 16 of the Building Act, 1984, the plan charge and inspection charge are to be aggregated for the purposes of calculating any refund or supplementary charge.
48. The payment of any refund or request for a supplementary charge will be accompanied by a statement setting out the reason for the assessment and the calculation of the refund or supplementary charge.
49. Contravention of any of the Building (Local Authority Charges) Regulations 2010 and or the non- payment of any charge which becomes payable are not treated as offences under Section 35 of the Building Act 1984 (penalty for contravening building regulations) (as amended).
50. The Building (Local Authority Charges) Regulations 1998 are revoked by the Building (Local Authority Charges) Regulations 2010.
51. The London Borough of Tower Hamlets Building Regulations Charges Scheme No.1 1999 [as amended] made under the Building (Local Authority Charges) regulations 1998, will continue to apply to building work within the London Borough of Tower Hamlets area for which plans were first deposited or a building notice was given or a reversion charge became payable, or a regularisation certificate application was made, before the 1st October 2010.
52. Further information and advice concerning building regulation charges and the London Borough of Tower Hamlets Charging Scheme, can be obtained from

Building Control
 Mulberry Place (AH)
 PO Box 55739
 5 Clove Crescent
 London
 E14 1BY
 T 020 7364 5254

Signed.....

Dated 2010.

**London Borough of Tower Hamlets Charges Scheme 2010
With effect from 1 October 2010**

STANDARD CHARGES

Standard charges includes works of drainage in connection with the erection or extension of a building or buildings, even where those works are commenced in advance of the plans for the building(s) being deposited.

These standard charges have been set by the authority on the basis that the building work does not consist of, or include, innovative or high risk construction techniques (details available from the authority) and/or the duration of the building work from commencement to completion does not exceed 12 months.

The charges have also been set on the basis that the design and building work is undertaken by a person or company that is competent to carry out the design and building work referred to in the standard charges tables, that they are undertaking. If not, the work may incur supplementary charges.

If chargeable advice has been given in respect of any of the work detailed in these tables and this is likely to result in less time being taken by the authority then a reduction to the standard charge will be made.

Insert Tables for all Standard Charges

Note: The above standard charges take into account the factors listed in paragraph 17 above and relate to standard productive hourly rates based on an assessment of standard productive time for providing chargeable services.

Where the Council has set a standard building regulation charge and the actual amount of work required of an officer of the Council is more than that which was originally determined and for which payment has been made, the Council will raise a supplementary charge in respect of any additional work carried out its officer. The request for any supplementary charge will be accompanied by a statement setting out the reason for the assessment and the calculation of the supplementary charge necessary. Similarly, where the amount of work required of an officer is less than that which was estimated, and where payment has been made, the Council will refund an amount equal to the charge attributable to the work that was not required. In either case, one hour of an officer's time may be disregarded.

INDIVIDUALLY DETERMINED CHARGES

Individually determined building regulation charges on a project by project basis are to be applied in respect of full plans, inspections, building notices, reversion applications, and regularisation applications where standard charges do not apply. The charges determined will be specified and confirmed in writing taking into account the factors listed in paragraphs 17 and 18 above. The charges may be increased or decreased depending on the assessment which will be specified and confirmed in writing.

Individual assessment of chargeable building regulation advice, on a project-by-project basis when projects arise, will be determined before such advice is given. The charge determined will be confirmed in writing taking into account the factors listed in paragraphs 17 and 18 above. The charge may be increased or decreased depending on the assessment which will be specified and confirmed in writing.

Note: Where the Council has determined a building regulation charge, and the actual amount of work required of an officer of the Council is more than that which was originally determined and for which payment has been made, the Council will raise a supplementary charge in respect of any additional work carried out its officer.

The request for any supplementary charge will be accompanied by a statement setting out the reason for the assessment and the calculation of the supplementary charge necessary.

Similarly, where the amount of work required of an officer is less than that which was estimated, and where payment has been made, the Council will refund an amount equal to the charge attributable to the work that was not required. In either case, one hour of an officer's time may be disregarded.

Agenda Item 7.1

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director, Children, Schools and Families Originating officer(s) Anne Canning, Service Head, Learning & Achievement.		Title: Childcare Capital Projects Wards Affected: Bow West and Weavers	

Lead Member	Cllr Shiria Khatun
Community Plan Theme	A Prosperous Community
Strategic Priority	Priority 3.1: Supporting excellent learning opportunities for all

1. **SUMMARY**

- 1.1 The report seeks Cabinet approval for two capital development projects as part of the Early Years Service Capital Funding (Childcare Quality and Access) programme 2008-11: Bow Wharf Montessori School (£400K) and Allen Gardens Nursery & Playgroup (£450K).

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Approve the award of a grant of £400,000 to Bow Wharf Montessori School to contribute to the conversion of a large warehouse into a 78-place day care and educational facility and 32-place playgroup.
- 2.2 Approve the award of a grant of £450,000 to Allen Gardens Nursery & Playgroup to support the development of a disused caretaker's house at Thomas Buxton School; to allow the setting to move from its current building, which is in a very poor state of repair.

3. **REASONS FOR THE DECISIONS**

- 3.1 Both of the projects have been selected by the Early Years Capital Funding Panel (comprising: the Childcare Sufficiency Manager and Childcare Development Manager from the Early Years Service and an independent

representative of a private/ voluntary sector childcare provider) based on their strategic fit with the priorities of this capital funding programme.

- 3.2 These projects are the final two major allocations of capital funding to be made from the Early Years Service Capital Funding (Childcare Quality and Access) programme; all previously agreed allocations are detailed at Appendix 1- Early Years Service Capital Funding (Childcare Quality and Access) programme - Funding Allocations.

4. ALTERNATIVE OPTIONS

- 4.1 The report addresses the way in which options were considered by the Early Years Capital Funding Panel. The selected projects are recommended on the basis that they meet the strategic priorities of the funding programme, offer value for money, support the borough's duty to ensure sufficiency of quality childcare, and are viable for completion before the end of 2010/11.

5. BACKGROUND

- 5.1 This report advises members of two further projects that have been awarded funding through the Early Years Service Capital Funding (Childcare Quality and Access) programme.
- 5.2 The Early Years Service Capital Funding (Childcare Quality and Access) programme is an allocation of capital funding (£1.57 m per year for three years, equating to a total allocation of £4.7m for 2008-11); that aims to: i) improve the quality of the environment in early years settings to support the delivery of the Early Years Foundation Stage, with a particular emphasis on improving play and physical activities; and ICT resources; ii) ensure all children, including disabled children are able to access provision, and iii) enable private, voluntary and independent providers to deliver the extension to the free offer for 3 and 4 year olds and to do so flexibly.
- 5.3 The Council is limited in its discretion to award funding in line with the strategic priorities of the capital programme, within the allocated funding.
- 5.4 All funding must be spent and all projects funded through this programme completed by March 2011.
- 5.5 The Government expects that the majority of this capital grant should be used to improve the environment in private, voluntary and independent sector (PVI) early years and childcare settings; although spending on the maintained sector is not precluded.
- 5.6 A global works estimate has already been adopted by Cabinet for this funding programme. Applications for funding are considered by the Early Years Capital Funding Panel, comprising: the Childcare Sufficiency Manager and Childcare Development Manager from the Early Years Service and an independent representative of a private or voluntary childcare provider. Once

these projects have been agreed they are then passed on for formal agreement either by the Corporate Director (projects awarded less than £250K funding) or by Cabinet (projects awarded more than £250K funding).

- 5.7 Major capital funding allocations previously agreed by Cabinet have been included in the Children, Schools and Families Capital Programme report; please see Appendix 1- Early Years Capital Funding (Childcare Quality and Access) programme – Funding Allocations, for details of when these were agreed by Cabinet.
- 5.8 From the commencement of the capital programme, the Business & Finance Officer with the Early Years Service has worked with childcare providers from the private, voluntary and independent sectors to identify potential capital development projects that fit with the strategic aims of the funding programme. Once projects were identified, the providers were supported in refining and developing their projects, incorporating ongoing feedback from the Funding Panel.
- 5.9 The funding application process follows a grant-based model in that the provider will apply for either all or a proportion of the total costs of the project. The Funding Panel bases its decisions on the projects to award funding upon consideration of the following factors: the number of new childcare places that would be created as a result of the project; how essential the proposed building works are; whether the childcare provider is from the private or voluntary sector; other potential sources of funding available to the childcare provider; the childcare provider's location and the impact upon other childcare settings within the local area; the affordability and quality of childcare provision; value for money; and the completion deadline and timescale.
- 5.10 DfE is currently reviewing all capital allocations through the Sure Start Early Years and Childcare Grant in terms of projects that are committed and those that are not (uncommitted projects are where a contract has not been signed). These two projects are currently considered to be uncommitted although an appeal has been raised with DfE.
- 5.11 Cabinet approval is being sought to ensure that should these projects be agreed by DfE, they will be able to be delivered by the March 2011 deadline. Should the projects not be approved by DfE, they will not progress.
- 5.12 Once a project has been awarded funding, the delivery of the project by the provider is managed and overseen by the Early Years Service's Business & Finance Officer. While the provider is not necessarily required to adhere to the Borough's procurement rules; the provider is required to follow a clear and transparent procurement process, which ensures value for the money invested through competitive tendering by at least 3 contractors.

- 5.13 To date a total of £1,128,779 of the total funding has been spent, with a further £3,582,709 allocated to be spent by March 2011 (including the funding awarded to the two projects detailed in this report).

6. **BODY OF REPORT**

- 6.1 The following projects have been agreed by the Early Years Service Capital Funding Panel:
- 6.2 **Bow Wharf Montessori School** – the project consists of the conversion of a large warehouse owned by British Waterways into a 78-place day care and educational facility for children aged three months to five years. In addition, there will be three classes for 48 children aged six to eleven. This facility is a private facility, in order to ensure benefit for local families and those on lower incomes:
- ⇒ 25% of the 78 full daycare places (19.5 places in total) are capped at £220 per week (rising by 3% per annum) for 5 years after the launch of the provision. (This fee rate is based on benchmarking against the London average).
 - ⇒ A minimum of 50% of the 78 full daycare places (39 places) are reserved for use by Tower Hamlets residents only, for 5 years after the launch of the provision.

The project will also create a new 32 place playgroup to benefit local residents, funded entirely through funding from the Department for Education.

Total start-up costs = £788,582

Bank Loan = up to £250,000 (the provider is entering into this loan arrangement, and it only affects the Council, in that the Council is not contributing funding for the total costs of the project.)

Investor = £150,000 (Mark Payne)

EYS Capital Funding requested = £400,000

Total Funding secured = £800,000

- 6.3 **Allen Gardens Nursery & Playgroup** – the nursery & playgroup has occupied a Parks building on the Allen Gardens site for a number of years following their relocation from another Council building.

Early Years has looked at the possible development of Allen Gardens Nursery & Playgroup's current building, which is in a very poor state of repair. Remedial works to the building would not be cost effective and if the current site were to be used demolition and rebuild would be the only option.

However, Children, Schools and Families been advised that the land occupied by the current building is Public Open Space and redevelopment of this land

would not be an appropriate use and would lead to a disposal of public open space which is currently contrary to the Council's Open Space Strategy.

Early Years have, consequently, looked at other options for the nursery & playgroup. The best available is to develop a disused caretaker's house at Thomas Buxton School, next door to Allen Gardens.

The anticipated cost of this development is £450,000; this would be fully funded through the capital grant.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 The recommendations involve the allocation of Early Years Capital monies that have already been agreed by Cabinet as part of the Children Schools and Families Capital Programme. The Bow Wharf scheme costs £0.400m and is expected to be completed before 31st March 2011. The Allen Gardens scheme costs £0.450m and would only be able to proceed if the plan demonstrated that it could be completed by 31st March 2011. This capital expenditure would be supported by government capital grant for Early Years and Childcare. Unspent grant at the end of March 2011 would be lost.

There are no additional revenue costs for the Allen Gardens Playgroup, as it is currently operational. The 32 place Bow Wharf playgroup will run alongside the day-care at Bow Wharf and will offer the Free Entitlement for 3 and 4 Year Olds, 15 free hours of childcare per week for all 3 and 4 year olds for 38 weeks per year. This is funded exclusively through the Early Years Single Funding Formula, which is a component of the Dedicated Schools Grant.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 It is proposed that Cabinet agree capital estimates for two projects to provide early years provision in the form of day care, education and a play group.
- 8.2 The Council has a duty under section 18 of the Children Act 1989 to provide appropriate day care within Tower Hamlets for children who are aged 5 or under and not yet attending school. The Council has broad discretion as to how it gives effect to that duty.
- 8.3 The Council has separate obligations under the Childcare Act 2006 to secure the provision of integrated early childhood services, sufficient childcare to enable parents to work or undertake education or training and free early years provision (childcare). Childcare includes education and any other supervised activity.
- 8.4 The Council is specifically empowered to enter into arrangements with providers of childcare that include financial assistance. Where such arrangements are made, the Council is required under the Childcare Act

2006 to exercise its functions to ensure compliance by the provider with the requirements of the arrangement.

- 8.5 The projects will have to be carried out consistently with the legislative framework established by the Children Act 1989 and the Childcare Act 2006. The Council will also have to comply with the conditions of any grant.
- 8.6 The Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The process followed in respect of the Bow Wharf project appears to be appropriately competitive and consistent with the Council’s procurement procedures.
- 8.7 The Allen Gardens project is dependent upon the chosen site being suitable for use as a nursery and playgroup, including by reference to planning law and any restrictions on the land. There will be a need to investigate these matters, including by obtaining a title report.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The successful implementation and delivery of the Early Years Service Capital Funding (Childcare Quality and Access) programme offers a key contribution under the ‘A Prosperous Community’ theme of the Tower Hamlets Community Plan.
- 9.2 Improving the quality of childcare provision and facilities throughout the borough will support the creation of excellent learning opportunities for all by investing in the under 5’s whose development provides the best possible foundation for long term success.
- 9.3 Unemployment levels in Tower Hamlets are higher than both the London and national averages, due mainly to a comparatively low level of basic skills but also because of a range of other factors which affect worklessness. The availability of accessible, quality childcare is seen as a key factor in supporting parents of very young children in developing their skills and in (re)entering the labour market, and ultimately as a means of addressing child poverty.
- 9.4 The take-up of childcare by families from black and minority ethnic communities is noticeably lower in Tower Hamlets than the London and national averages. It is anticipated that a key impact of increasing the availability of accessible, quality childcare through the projects funded through the Early Years Service Capital Funding (Childcare Quality and Access) programme will be an increase in the take-up of the newly created places by families from black and minority ethnic groups.

9.5 Both projects are focused on increasing the capacity of provision and will incorporate mechanisms for ensuring that places are reserved for Tower Hamlets residents and those on lower incomes.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 The proposed capital projects aim to improve, enhance and preserve the quality of the facilities within which childcare is provided within the borough. Sustainability considerations will be incorporated, as far as possible, into all elements of the design and build processes and the materials used.

11. RISK MANAGEMENT IMPLICATIONS

11.1 The individual projects will be closely monitored to ensure that programmes are completed on time and within the budget provision.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 There are no specific implications arising.

13. EFFICIENCY STATEMENT

13.1 The capital works identified in the report will seek to improve energy efficiency and reduce ongoing maintenance.

14. APPENDICES

Appendix 1 – Early Years Capital Funding (Childcare Quality and Access) programme – Funding Allocations.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
None	N/A

Appendix 1 – Early Years Capital Funding (Childcare Quality and Access) programme – Funding Allocations

Completed Projects

Provider	Project Description	Funding Allocated	Approval Details
Limehouse Arches	Expansion of capacity and improvement of outdoor play area.	£509,100	Approved by Cabinet (over £250K) 3/11/08.
My Nursery LLP	Creation of an outdoor play area and installation of signage.	£49,942	Approved on RCDA form (under £250K) 16/12/08.
Montessori on the Park	Series of minor repairs and refurbishment.	£20,033	Approved on RCDA form (under £250K) 16/12/08.
Mile End Nursery & Playgroup	Improve outdoor play area.	£7,260	Approved on RCDA form (under £250K) 16/12/08.
Poplar Play Centre	Repairs and refurbishment.	£37,013	Approved on RCDA form (under £250K) 16/12/08.
Precious Kids Day Nursery	Installation of an intercom.	£6,015	Approved on RCDA form (under £250K) 16/12/08.
Overland Children's Centre	Improvements to security and fencing.	£12,200	Approved on RCDA form (under £250K) 16/12/08.
Island House Playgroup	Development/ enhancement of outdoor play area.	£67,541	Approved on RCDA form (under £250K) 16/12/08.
Pillar Box Gardens Nursery	General refurbishment of premises.	£12,651	Approved on RCDA form (under £250K) 16/12/08.
The Nursery @ St Paul's Church	Replacement of roof and improvement/ enhancement of outdoor play area.	£122,912	Approved on RCDA form (under £250K) 16/12/08.
Pillar Box Montessori Nursery	Refurbishment and remodelling of reception area.	£25,000	Approved on RCDA form (under £250K) 21/4/09.
Montefiore Children's Centre/ Precious Kids Nursery	General repairs and improvements to daycare area.	£23,964	Approved on RCDA form (under £250K) 21/4/09.
Weavers Adventure Playground	Construction of an extension with age-appropriate WC's to allow use by under 5's.	£70,330	Approved on RCDA form (under £250K) 21/4/09.
Scallywags Playgroup	Improvement/ enhancement of outdoor play area.	£49,582	Approved on RCDA form (under £250K) 21/4/09.
Montessori on the Park	Further series of general repairs and refurbishment.	£30,666	Approved on RCDA form (under £250K) 21/8/09.
Gatehouse School	Replacement of toilets.	£54,595	Approved on RCDA form (under £250K) 21/8/09.
Lincoln & Burdett Children's Centre	To move the toilets in the crèche room and carry out some refurbishment works.	£29,975	Approved on RCDA form (under £250K) 15/4/10.

	Completed Projects Sub-Total	£1,128,779	
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Committed Projects

Provider	Project Description	Funding Allocated	Approval Details
Matchbox Day Nursery Ltd	Creation of a new outdoor play area and expansion of the capacity of nursery.	£330,406	Approved by Cabinet (over £250K) 3/11/08.
Meath Gardens Children's Centre	Creation of a playgroup space within a new children's centre.	£228,500	Approved as part of overall Children's Centre Phase 3 project.
Lincoln Hall Playgroup	Construction of a transitional space and expansion of capacity.	£381,313	Approved by Cabinet (over £250K) 7/7/10.
Gatehouse School	Installation of a canopy on the roof which forms the outdoor play area.	£39,671	Approved on RCDA form (under £250K) 15/4/10.
Gatehouse School	Development/ enhancement of outdoor play area.	£115,350	Approved on RCDA form (under £250K) 15/4/10.
Mile End Nursery & Playgroup	Refurbishment of toilets and creation of additional storage space.	£13,225	Approved on RCDA form (under £250K) 12/7/10.
Step-by-Step/ Wapping Children's Centre	Improvements to premises and development/ enhancement of outdoor area.	£143,853	Approved on RCDA form (under £250K) 10/8/10.
	Committed Projects Sub-Total	£1,252,318	

Contractually Uncommitted

Provider	Project Description	Funding Allocated	Approval Details
Mudchute Nursery	Expansion/ development and improvement of facilities.	£590,750	Approved by Cabinet (over £250K) 7/7/10.
Mile End Children's Centre	Creation of a playgroup space within a new children's centre.	£198,600	Approved as part of overall Children's Centre Phase 3 project.
Vernon Playgroup	To develop and enhance the facilities in which the playgroup is based.	£150,000	Project still in development-not yet approved.
Wapping Playzone	Creation of a sensory garden.	£20,800	Project still in development-not yet approved.
Allen Gardens	To create new facilities within a site immediately adjacent to the provider's current building.	£350,000	Included in Cabinet Report 8/9/10 (over £250K).
Avebury Playgroup	To improve and enhance the facilities, specifically focusing on the outdoor area.	£75,000	Project still in development-not yet approved.
Ranwell Playgroup	To enhance the outdoor play area that serves the playgroup.	£25,000	Project still in development-not yet approved.
Weavers Fields Community Nursery	To expand the space available to the nursery by building into an unused corridor.	£75,000	Approved on RCDA form (under £250K) 10/8/10.
Headstart Nursery	To contribute to the fit out costs of a	£150,000	Approved on RCDA form

	new custom-built nursery with a capacity of 100 children.		(under £250K) 10/8/10.
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Bow Wharf	To contribute to the fitting out of a large unused warehouse building to create a new 78 place nursery.	£400,000	Included in Cabinet Report 8/9/10 (over £250K).
Bethnal Green Montessori	Improvement of the facilities to improve transition from indoors to outdoor area and development of outdoor play area.	£100,000	Project still in development-not yet approved.
	Contractually Uncommitted Projects Sub-Total	£2,135,150	

Completed Projects	£1,128,779
Committed Projects	£1,252,318
Contractually Uncommitted	£2,135,150
Total Allocated	£4,516,247
Total Funding	£4,711,488
Unallocated funding	£195,241

With regard to the £195,241 unallocated funding, the following projects are on the reserve list:

Provider	Project Description	Potential Funding
Barkantine Community Nursery	Extension to the baby room, new flooring and other improvements	£50,000
Bow Childcare	Development/ enhancement of outdoor play area	£40,000
Pillar Box Montessori	Redecoration and refurbishment of building	£35,000
Bigland Children's Centre	Development of crèche's outdoor area	£50,000
Matilda Community Nursery	Replacement of windows and other refurbishment work.	£35,000
	Sub-Total	£210,000

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Agenda Item 7.2

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Acting Corporate Director, Children, Schools & Families Originating officer(s) Pat Watson, Head of Building Development		Title: Culloden Primary School – Proposed Expansion Wards Affected: East India and Lansbury	

Lead Member	Lead Member for Children, Schools & Families
Community Plan Theme	A Prosperous Community
Strategic Priority	Priority 3.1: Support lifelong learning opportunities for all

1. SUMMARY

- 1.1 This report explains the background to the proposals and informs Cabinet of the consultation that has taken place to date. The report recommends that statutory proposals are now published for the enlargement of the school.

2. DECISIONS REQUIRED

Cabinet is recommended to:-

- 2.1 Agree that statutory proposals may be published for the enlargement of Culloden Primary School to admit 90 pupils in each year from September 2012.

3. REASONS FOR THE DECISIONS

- 3.1 Proposals have been developed to expand Culloden Primary School to assist in the LA's programme to provide primary school places to meet growing local need. Initial consultation on the proposals has been held. Cabinet is asked to consider the proposed expansion, the response to the initial consultation and the recommendation that statutory proposals for the expansion should be published. The publication of statutory proposals is required in order to implement this change to the school.

4. ALTERNATIVE OPTIONS

- 4.1 In order to meet the rising need for school places, the Council has implemented a number of school expansion projects and continues to develop further schemes to meet need. Longer term development plans for the borough include proposals for new primary schools. However, further expansion proposals are needed to keep pace with the need, so taking no action would leave the Council at risk of being unable to discharge its statutory functions. The options for expansion have been considered having regard to the factors set out in paragraphs 6.8 to 6.11 of the report.

5. BACKGROUND

- 5.1 Culloden Primary School is in Dee Street, E14. At present it admits 60 pupils in each year group (2 forms of entry) and has a maximum capacity of 420 pupils, plus two nursery classes. There is a rising need for primary school places in the borough. The greatest pressure for admission to primary schools is being experienced in the central and eastern areas of the borough. The Local Authority has to ensure that there are sufficient school places available to meet the needs of the population.
- 5.2 A number of school sites have been investigated for their capacity to expand to accommodate more pupils. Culloden School has been identified as having the potential to expand.
- 5.3 Preliminary consultation has taken place on the proposal to expand the school. The feedback from this consultation supported the proposals. This report gives details of the consultation and the action that is now required to publish proposals formally.

6. BODY OF REPORT

Decision-making on school expansion proposals

- 6.1 There is a statutory framework for implementing certain alterations to schools, including enlargements, as in this case. The requirements are included in the Education & Inspections Act 2006 with associated regulations. For community schools, the Local Authority (LA) can propose certain alterations, including enlargements.
- 6.2 The prescribed process requires a two stage consultation process. The initial, pre-statutory consultation should provide information on the proposals and include a wide range of consultees. The outcome of this stage is then considered and, if the LA agrees, statutory proposals are published for a specified period (usually four weeks). After this period, the LA must consider any responses to the second consultation and decide whether or not to implement the proposals, or modify them in the light of the consultation.
- 6.3 There is a right of appeal to the Schools Adjudicator for certain parties against the LA's decision.
- 6.4 The timetable for the process is shown in paragraph 6.29, taking into account the legal requirements of the consultation and decision-making process.

THE NEED FOR ADDITIONAL PRIMARY SCHOOL PLACES

- 6.5 The LA keeps the need for additional school places under regular review to ensure that there are sufficient places to meet need. Annual school roll information is used to project the need for places in future years. The projection methodology takes into account the trend in school rolls, actual birth data and population projections. This information is compared with data on the capacity of existing schools and the extent of unfilled places in schools in order to assess if additional capacity has to be planned for, or if there is excess capacity which can be reduced.
- 6.6 In taking into account the anticipated scale of new residential development in the borough it has been clear for some time that new primary school places will be required. The LA has been experiencing pressure on admission to Reception year particularly in the areas in the centre and east of the borough where new residential development has been taking place.

	Current places available
Reception	3161
Total R-Y6	22127

	January 2010 actual roll	January 2013 projected roll
Reception	3163	3358
Total R-Y6	20631	22824

- 6.7 The pattern for many years has been that reception and lower year groups in schools are filled at or near capacity and upper years tend to have some unfilled places. This reflects some movement out of the borough by families as their children grow up. However, the LA has to plan for meeting the numbers of children needing reception class places.

IDENTIFICATION OF POTENTIAL SITES FOR EXPANSION

- 6.8 The Local Development Framework indicated that some new primary schools are likely to be required, even after allowing for some schools which are not now completely full and that some schools could be expanded on their existing sites. In managing the best use of its assets and the available finance, the LA has first considered which of the existing school sites could be expanded. Proposals have been or are being implemented to expand Manorfield, Ben Jonson, Arnhem Wharf, Marner and Wellington Primary Schools.
- 6.9 In identifying potential sites for expansion, the following factors have been considered:
- the physical capacity of the existing site and buildings to be expanded;
 - the suitability of the site, including initial contact with planning;
 - the location of the school – is it in an area where the need is rising;

- the practical implications of the scheme – can it be implemented with an acceptable level of disruption to the school;
- 6.10 In addition to the above factors, in taking the decision to proceed with the proposals at any site, the LA will consider the strength of the individual school, its popularity and success, and its capacity to adapt to the increase in size.
- 6.11 Having regard to all these factors, expansion at Culloden School is considered the best option as set out below, particularly in view of the proposed new residential development around the Aberfeldy Estate.

Culloden School

- 6.12 The potential for Culloden School to expand was identified and some initial work to assess the proposal was carried out. The governing body discussed the initial proposal and agreed to work with the LA to develop the proposal further and to consider the implications for the school and the neighbourhood. It is recognised that the proposals under development by Poplar HARCA for significant new residential development around the Aberfeldy Estate will lead to additional pupils seeking primary school places in the local area. As Culloden School has been shown to have the site area to enable expansion, it is regarded as a suitable proposal to meet part of the rising demand for school places locally.
- 6.13 The plans for the school include providing new classrooms and new multi-purpose rooms, extra toilets and an additional nursery class. The new extension will be two stories and a lift will be installed to allow access for people with disabilities. There will be enhanced staff facilities. The school has a Deaf Support Base. The scheme will not increase the number of children with this specific special educational need, but the new areas of the school will have acoustic treatment to allow the school to be fully inclusive. Because of the need to carefully plan the works to manage the impact on the running of the school, the works will be phased and planned in agreement with the Headteacher.
- 6.14 The building scheme seeks to ensure that principles of sustainability are central to the design and this is reflected in the proposed use of materials. The whole scheme and construction method will fall within the requirements of BREEAM with the intention of seeking a minimum rating of good.
- 6.15 The governing body has agreed to the scheme designed. The governing body has responded positively to the proposal in recognising the benefits that the increased size will offer to the school. The scheme will provide improved facilities for pupils and staff and the enhanced budget and staffing levels will allow greater curriculum flexibility and range of offer, and enhanced career prospects for staff in the larger school.
- 6.16 The increased roll will take effect over 7 years as additional children are admitted. This will allow the school to introduce management changes over time to accommodate the increase, eg. changes to lunchtime arrangements. The school also plans to develop the external play areas so that better use can be made of the available space and support the increase in numbers.

Financial Implications

- 6.17 The project will be funded from future allocations of Basic Need funding from the Department for Education (DfE) and s. 106 contributions, to be confirmed. This funding is specifically for the provision of additional school places.
- 6.18 A capital estimate for this scheme of £5.5m was adopted by Cabinet on 7 July 2010. The main expenditure will fall in the period of the next round of Department for Education (DfE) capital funding allocations. However, due to the time taken to implement these projects, planning has to proceed at this stage in order to ensure that sufficient supply of primary school places can be achieved. Any implications for proceeding with the scheme will be reviewed when allocations of capital funding for 2011/12 are known. The programme assumes that the contract would not be entered into until spring 2011.
- 6.19 Additional revenue funding will be provided to the school through the LA's funding formula.

Implementation of the Expansion

- 6.20 It is proposed that the increase should take effect from the school year 2012/13 subject to the approval of the statutory proposals. This means that the first increased year group of 90 will be admitted in September 2012.
- 6.21 It is proposed to admit the extra pupils to the school at reception year only until all year groups are full to three forms of entry. This will mean that the school has time to gradually adapt to the increase in size and introduce any new management arrangements as the pupil numbers increase.

CONSULTATION

- 6.22 The initial consultation period was from 14 June to 23 July 2010. The proposed building design was on display in the school for parents and children to see. Pupils were consulted about the proposals. A copy of the consultation paper issued is included as Appendix A. The consultation paper was sent to:
- all parents and carers of children now at Culloden School
 - all staff at Culloden School
 - all governors of Culloden School
 - all headteachers and chairs of governors of primary schools in Tower Hamlets
 - all councillors in Tower Hamlets
 - local MPs
 - the London Boroughs of Newham and Hackney
 - the London Diocesan Board for Schools and the Westminster Diocese Education Service
 - local trades unions
- 6.23 Consultation meetings were held to discuss the proposals with parents.
- 6.24 The overall response to the proposed expansion of the school was positive. The consultation paper included a form to return and the analysis of those returned is as follows:

Received from	For	Against	Not sure
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Parents	47	2	3
Staff	13		
Others	8	1	

6.25 Two parents' meetings were held at the school. The response from parents who attended these meetings was positive and they welcomed the proposal to invest in the school and generally saw this as something positive for their children. At the parents' meetings there were questions and discussion on a number of issues which were responded to by the LA officers and the headteacher in the meetings:

- impact on the playground
- how will the school be affected by the works on site

These issues were also raised in comments on the returns noted above. Officers and the Headteacher will be carefully planning and managing works on site to ensure safety at all times. The playground will be enhanced to ensure that the usable space is maximised and break periods managed to make the best use of space.

The consultation that has been conducted complies with the requirements of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 and the Secretary of State's guidance on consultation.

FURTHER ACTION NOW PROPOSED

6.26 The outcome of the consultation has been reviewed and it is clear that there is support for the proposal in the local community. Officers are continuing to work with the Headteacher and governing body to plan the details of the building works scheme and the implementation of the works.

6.27 The Cabinet is recommended to agree to publication of statutory proposals for the expansion of Culloden School. The statutory proposals will be published in East End Life and made available at the school. Any comments or representations on the proposals should be submitted to the Council by the end of the four week period.

6.28 As referred to above, after the statutory representation period, there will be a further report to Cabinet. This will include details of any comments made during the representation period. Cabinet will be asked to take account of these and the detail of the report in reaching a decision on whether to proceed to implement the proposals. An appeal against the decision can be made to the Schools Adjudicator by the Roman Catholic or Church of England Diocese, or the governing body of the school concerned. If the Council is unable to reach a decision on the proposals within two months of the end of the representation period, they have to be referred to the Schools Adjudicator.

6.29 The timetable for the process is set out below:

Initial consultation	14 June to 23 July 2010
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Cabinet receives a report on the consultation and decides on publishing formal statutory proposals	8 September 2010
Statutory proposals published with 4 weeks allowed for comments	1 November to 26 November 2010
Cabinet meets to consider any comments from the 4 week period and, in the light of these, to decide on implementing the proposals as published or with any modification	February 2011
Building works commence	Summer 2011
Additional pupils admitted to Reception year	September 2012

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

Capital funding

- 7.1 Cabinet in July 2010 agreed to adopt a preliminary capital estimate of £5.5m for the Culloden scheme. As indicated in the previous Cabinet report, the source of funding for this scheme will be dependent on the amount of basic need capital agreed by the Department for Education in future years and the availability of Section 106 Planning Gain monies. This is a priority expansion project which would have first call on any future schools capital monies that were available. In the event of no future capital money being available for schools and no scope to reprioritise the CSF capital programme this project would not be able to continue. The first £0.5m to be incurred in 2010/11 is being met from supported borrowing, but if the capital project does not take place, this expenditure would need to be written off to revenue. It is expected that the DfE will have announced their capital allocations for local authorities before a final decision is needed on whether the expansion can take place (ie February 2011, following the consultation process).

Revenue funding

- 7.2 The school's revenue budgets will be increased to reflect the increased size of the building and the rise in pupil numbers. This funding is within the Dedicated Schools Grant which reflects increases in the total roll in the Borough.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1. Section 19 of the Education and Inspections Act 2006 provides that where a local authority proposes to make prescribed alterations to a maintained school, it must publish its proposals. The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 ("the Prescribed Alterations Regulations") specify what alterations made by local authorities are prescribed alterations and specify the procedure to be followed

when publishing and determining such proposals. The enlargement of a school's premises so as to increase the school's capacity by: (a) more than 30 pupils; and (b) 25% or 200 pupils (whichever is the lesser) is a prescribed alteration. The proposal here is to increase the total capacity of a community school by 50% (210 pupils) and so the proposal is prescribed and the procedure in the Prescribed Alterations Regulations must be followed.

- 8.2. The Prescribed Alterations Regulations require the Council to follow a two stage process involving consultation prior to publication of a proposal, followed (assuming the Council wishes to proceed) by publication of the proposal. The consultation must include prescribed persons. The Council is required to have regard to the Secretary of State's guidance as to consultation on proposals. The guidance recommends that the consultation allows adequate time, provides sufficient information for those being consulted to form a considered view and makes clear how the views can be made known. Proposers must be able to demonstrate how they have taken into account the views expressed during the consultation in reaching any subsequent decision as to the publication of proposals. The report states that consultation complies with the requirements of the Regulations and guidance and so the Council is in a position to determine whether to publish a proposal.
- 8.3. The Prescribed Alterations Regulations prescribe what information must be specified in a proposal and how it should be publicised. The proposal should be published within a reasonable timeframe following consultation so that it is informed by up to date feedback. A statutory notice containing specified information and stating how complete copies of the proposals can be obtained must be published in a local newspaper, and also posted at the main entrance to the school (and all the entrances if there are more than one) and at some other conspicuous place in the area served by the school (eg. local library, community centre). It is essential that the published notice complies with the statutory requirements as set out in the Regulations otherwise it may be judged invalid.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1. The Local Authority has a key role in planning service provision to ensure there are sufficient school places to meet local need. The proposals to expand the school are part of this planning process to ensure access to education. The works to the schools will include provision of a lift and improved accessibility and will thus have a positive effect in respect of equalities and diversity.
- 9.2. Strategies to raise educational attainment, including ensuring sufficient school places, support students in a successful period of statutory education and then moving into employment

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1. The design of the building and materials proposed to be used have taken account of sustainability and energy efficiency. Cladding products have been chosen that offer significant energy saving values; insulation products that

have an approved environmental profile; and timber from certified sustainable sources. The aim will be to ensure the building is sustainable in its operation and raw energy usage, waste and effect on the environment.

- 10.2. The design must comply with Building Regulations, Part L which has strict guidelines in respect of carbon emission levels and energy efficiency. To conserve biodiversity it is also proposed to include a grassed sedum roof which it is hoped will encourage bird life and become a natural habitat for insects.

11. **RISK MANAGEMENT IMPLICATIONS**

- 11.1. The project has a high capital value and close monitoring of the project through the preparatory stages is in place and will continue through implementation stages with appropriate, experienced project management resources. If the proposals do not proceed, there will be a risk to be managed that some children will be without a school place local to their home.

12. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1. There are no specific implications arising.

13. **EFFICIENCY STATEMENT**

- 13.1. The Council is using its assets efficiently by seeking to extend and expand existing school sites to meet the needs of the rising school age population before acquiring land to build a new school

14. **APPENDICES**

Appendix 1 – Consultation document

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
Results of consultation	Pat Watson, 020 7364 4328

LB TOWER HAMLETS

CONSULTATION ON PROPOSALS TO EXPAND CULLODEN PRIMARY SCHOOL

Introduction

In Tower Hamlets there is a rising school age population. The Council has to ensure there are sufficient school places so that all resident children can attend school locally. The Council considers that Culloden Primary School can be successfully developed to improve facilities and accommodate additional places and this paper is published for consultation on this proposal.

Consultation Process

This paper is being sent to:

- all parents and carers of children now at Culloden School
- all staff at Culloden School
- all governors of Culloden School
- all headteachers and chairs of governors of primary schools in Tower Hamlets
- all councillors in Tower Hamlets
- local MPs
- the London Boroughs of Newham and Hackney
- the London Diocesan Board for Schools and the Westminster Diocese Education Service
- local trades unions

This consultation period runs from 14 June to 23 July 2010. A form is included at the end of this paper for the return of your views. Two meetings for parents will be held at the school to hear about the proposals and let us know your views. The meetings will be held on:

21 June at 9.00 am

23 June at 3.00 pm

Why are more school places needed?

In Tower Hamlets there has recently been considerable development to provide new homes and this is anticipated to continue for some time. The London Mayor's Plan proposed that 42,000 new homes would be built in Tower Hamlets over a period of about 15 years. Approximately 3,000 new

homes will be built each year in the next few years. Although many of these homes will be occupied by people who already live in Tower Hamlets, it is clear that the population trend is rising and that the Council needs to plan for the services that the population will need, including schools.

In spring term 2010 there were 21,600 children on roll of our primary schools and there is a total of 21,917 primary school places in the borough. Our projections show that by 2012 the need for places will exceed the existing capacity. This means that Council has to plan now to provide extra school places. It is already the case that some children living in the eastern part of the borough are not able to gain admission to their nearest primary school and have to travel to other areas of the borough.

The main areas where the need for school places is rising are in the central and eastern areas of the borough, including the Isle of Dogs. These areas will benefit from a large amount of the new residential development. In time, the projections of the increase in the school roll will require one or more new primary schools to be built. However, because providing a new school is a very substantial investment, the Council has first considered if any of the existing schools could be expanded to take more children. Where this is possible, this is a good use of the Council's assets before the purchase of more land and building a new school is undertaken.

Culloden School

Culloden School is in an area of the borough where the school age population is rising. The Council has considered the existing school site and buildings and, working with the headteacher and governing body, we have shown that it is possible to provide new accommodation and improvements to the existing school which will allow the size of the school to be increased. The Council considers this to be an exciting development opportunity for the school.

Culloden is a successful school and the Council believes that the strong ethos and management of the school will enable the Headteacher and staff to effectively include the increased roll whilst maintaining the standards for all children and the character of the school which parents value. The admissions criteria for the school will not change and so the children at the school will continue to be those who live in the local area.

Expanding the school will bring additional resources to the school, so that the range of opportunities for children will be enhanced. In addition there will be more teaching and support staff and increased professional development opportunities for existing staff.

The building plans for the school

The building plans for the school to accommodate the increased roll have been drawn up in close cooperation with the Headteacher and governors. The building plans are on display in the school during the consultation period.

The new building will provide new classrooms; multi-purpose rooms; SEN support spaces; extra toilets and deaf support rooms, with the space to hold a new audiology clinic. The size of the hall will be increased and there will be an extra nursery class. The new block will include a lift to allow access for people with disabilities. There will be a new office with a secure entrance lobby and enhanced staff facilities. Because of the need to carefully plan the works to manage the impact on the running of the school, the works will be phased over a period of about 12 months. There will need to be some temporary decanting of classrooms during works. This will be planned and managed closely with the Headteacher.

The design of the expanded school has carefully considered the impact on the school's playground and the valuable mature trees which we have aimed to maintain as far as possible. The footprint of the new build areas has been kept to a minimum and the design aims to make better use of the existing outside areas so that there is more useful play area for children. The location and aspect of the new block will provide maximum natural light to all areas and is in the most energy efficient position because it is south facing. It will have a heating and ventilation system that will rely heavily on renewable resources. Existing areas of the school will not be refurbished unless they are directly affected by the works so this aims to keep the disruption to the rest of the school to the minimum possible.

Size of the increase in roll

The school now has 60 places in each year group with 2 nursery classes. Under the new proposals, there will be 90 places in each year and 3 nursery classes. The total school roll over time will eventually be 630, plus the nursery classes. There will be no change to the admissions arrangements to the school.

How will the increase take effect

The extra children will be admitted to the school in Reception year only, so that the full increase will arise after 7 years. Additional children will not be admitted above the total of 60 for a year group where 60 was the original year group number. (However, there may be admissions where there are vacancies in any year group). The first additional children will be admitted in the school year from September 2012.

Effect on children now at the school

The increase in roll will happen over a 7 year period which will allow the school to gradually absorb the changes. The children now on roll of the school will be in the school during the building works to create the new space. Very careful planning is continuing by the Authority and the Headteacher to ensure that the disruption to school life is kept to the minimum possible. The construction work will be planned with the highest priority given to the safety of everyone at the school.

Deaf Support Base

The number of places in the DSB will not be increased as part of the expansion proposals. However, the design for all the new areas will allow the full use of the teaching areas by all children at the school.

Other expansion proposals in the area

The Council is considering other options for schools where it may be possible to expand. Consultation on proposals will take place as they are developed. The eastern part of the borough is one of the areas where the highest levels of new housing are anticipated and it is likely that a new primary school will eventually be built.

Timing

This consultation runs from 14 June to 23 July 2010. The timetable for consultation and taking decisions following this stage of consultation is:

Initial consultation	14 June to 23 July 2010
The Council's Cabinet receives a report on the consultation and decides on publishing formal statutory proposals	8 September 2010
Statutory proposals published with 4 weeks allowed for comments	1 November to 26 November 2010
The Council's Cabinet meets to consider any comments from the 4 week period and, in the light of these, to decide on implementing the proposals as published or with any modification	February 2011
Major building works commence	Summer 2011
Additional pupils admitted to Reception year	September 2012

Next steps

During this current consultation period, the Council wants to hear from as many people as possible. Please let us know your views by completing and returning the form on the next page.

There will be parents' meetings at the school on 21 June at 9.00 am and on 23 June at 3.00 pm – we hope as many parents as possible will be able to come to one of the meetings to hear about the proposals and let the Council know your views.

CULLODEN PRIMARY SCHOOL

CONSULTATION ON THE PROPOSED EXPANSION OF CULLODEN SCHOOL

	Please tick as appropriate
I agree with the proposal to expand the school	<input type="checkbox"/>
I do not agree with the proposal to expand the school	<input type="checkbox"/>
I am not sure	<input type="checkbox"/>

Other comments

NAME	
PARENT, GOVERNOR, OTHER (please state)	
DATE	

Please return this page by 23 July 2010 to:

The school administration office; or
Pat Watson, Head of Building Development, Children's Services, Town Hall,
Mulberry Place, 5 Clove Crescent, E14 2BG, or
e-mail to: pat.watson@towerhamlets.gov.uk

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Agenda Item 7.3

Committee/Meeting: Cabinet	Date: 8 September 2010	Classification: Unrestricted	Report No:
Report of: Acting Corporate Director, Children, Schools & Families Originating officer(s) Pat Watson, Head of Building Development		Title: Thomas Buxton Infant and Junior Schools – Proposed Amalgamation Wards Affected: Weavers	

Lead Member	Lead Member for Children, Schools & Families
Community Plan Theme	A Prosperous Community
Strategic Priority	Priority 3.1: Support lifelong learning opportunities for all

1. SUMMARY

- 1.1 This report explains the background to the proposals and informs Cabinet of the consultation that has taken place to date. The report recommends that statutory proposals are now published for the amalgamation of the schools.

2. DECISIONS REQUIRED

Cabinet is recommended to:-

- 2.1 Agree that statutory proposals should be published both for the closure of Thomas Buxton Junior School from 31 March 2011 and the change of age range of Thomas Buxton Infant School from 1 April 2011 in order to implement the amalgamation of the existing Thomas Buxton Infant and Junior Schools.

3. REASONS FOR THE DECISIONS

- 3.1 The LA has held consultation with the governing bodies, parents and staff of both schools. The proposal has been put forward to benefit the leadership and management of the schools and the effect this will have on teaching and learning for the children. Cabinet is asked to consider the proposed amalgamation, the response to the initial consultation and the recommendation that statutory proposals should be published. The publication of statutory proposals is required in order to implement this change to the school.

4. ALTERNATIVE OPTIONS

- 4.1 This proposal relates to this school only. The benefits of amalgamation are set out below and proposals of this kind have previously been implemented successfully for other schools. Taking no action would put at risk the success of the school and the educational outcomes for the children.

5. BACKGROUND

- 5.1 Thomas Buxton Infant and Junior Schools occupy the same site in Buxton Street, E1. There are 60 places in each year group across the two schools, and two nursery classes. The Headship of the Junior School had been vacant for some time when the Headship of the Infant School also became vacant. By agreement with the governing bodies, a substantive appointment was made of one Head of both schools from January 2010. This has already brought benefits in the two schools working together.
- 5.2 Preliminary consultation has taken place on the proposal to amalgamate the two schools into a single all-through primary school. The feedback from this consultation supported the proposals. This report gives details of the consultation and the action that is now required to publish proposals formally.

6. BODY OF REPORT

Decision-making on school expansion proposals

- 6.1 There is a statutory framework for implementing certain alterations to schools. The requirements are included in the Education & Inspections Act 2006 and regulations made under that Act. For community schools, the Local Authority (LA) can propose discontinuance and prescribed alterations. Prescribed alterations include a change in the upper age limit of a school.
- 6.2 Prescribed alterations require a two stage consultation process. The initial, pre-statutory consultation should provide information on the proposals and include a wide range of consultees. The outcome of this stage is then considered and, if the LA agrees, statutory proposals are published for a specified period, in this case 6 weeks. After this period, the LA must consider any responses to the second consultation and decide whether or not to implement the proposals, or modify them in the light of the consultation.
- 6.3 There is a right of appeal to the Schools Adjudicator for certain parties against the LA's decision.
- 6.4 The timetable for the process is shown in paragraph 6.23 taking into account the legal requirements of the consultation and decision-making process

6.5 In order to achieve the amalgamation, the formal process for the statutory proposals will require simultaneous proposals to discontinue the Junior School and extend the age range of the Infant School. The published proposals will state that the two proposals are dependent, i.e. one will not be implemented without the other.

Benefits of amalgamating Thomas Buxton Infant & Junior Schools

6.6 The LA has put forward proposals for the amalgamation because it recognises there are clear education benefits. The need for primary places in the Borough continues to rise and therefore the LA has no justification for considering closure of the schools. The amalgamation proposal will not reduce existing places or create additional places.

6.7 The benefits include:

- better opportunities for recruiting good staff, including Headteachers and other senior leaders. The LA has experience of the difficulties of recruiting good Headteachers to smaller schools. Research shows that the quality of the Headteacher and staff is critical to a school's success;
- a larger school allows better opportunities to retain staff as there are more opportunities for career progression and additional responsibilities within the school;
- better continuity of curriculum between the Key Stages 1 and 2. There will be one set of plans and linked schemes of work which will smooth children's progression through the school and help raise standards;
- a larger school is able to use its financial resources more flexibly and can more easily afford to pay for teachers to have additional responsibilities;
- no need for arrangements for children to transfer schools at age 7.

6.8 If the proposals go ahead, there will be no changes to the current admission criteria for the schools and all children now on roll will remain on roll.

Financial Implications

6.9 If the schools are amalgamated, there will be minimal impact on the revenue budget. The school will continue to be funded from the DSG (Dedicated Schools Grant) according to its size.

6.10 There may be a need for minor capital funding in order to carry out some accommodation alterations to support the amalgamation (eg. alterations to create a single main entrance). This will be considered further with the Headteacher and programmed at a later date as required.

Implementation of the Amalgamation

- 6.11 It is proposed that the amalgamation should take effect from 1 April 2011. The amalgamation will have no impact on children now on roll of the school.

CONSULTATION

- 6.12 The initial consultation period was held in May 2010. Parents, staff and children were consulted. A copy of the consultation paper issued is included as Appendix A. The consultation paper was sent to:
- all parents and carers of children now at Thomas Buxton Infant and Junior Schools
 - all staff at Thomas Buxton Infant and Junior Schools
 - all governors of Thomas Buxton Infant and Junior Schools
- 6.13 Consultation meetings were held at the school to discuss the proposals with parents and staff.
- 6.14 The overall response to the proposed amalgamation of the schools was positive. The consultation paper included a form to return and the analysis of those returned is as follows:

Thomas Buxton Infant School			
Received from	For	Against	Not sure
Parents	60	10	4
Staff	7	1	
Thomas Buxton Junior School			
Received from	For	Against	Not sure
Parents	30	6	2
Staff	12		

- 6.15 Two parents' meetings were held at the school. The response from parents who attended these meetings was positive and they welcomed the proposal. At the parents' meetings there were questions and discussion on a number of issues which were responded to by the LA officers and the headteacher in the meetings. These principally related to matters about the management of the school and any impact on the process on the education of children now on roll. Where concerns about amalgamation were expressed by parents, these principally related to the possibility of any adverse impact on children now on the roll of the school. The Headteacher and LA responded to these matters by setting out the benefits of amalgamation (addressed in paragraph 6.6 and following of this report) and the positive experience elsewhere.
- 6.16 The consultation that has been conducted is in accordance with the requirements of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 and the Secretary of

State's guidance on consultation. There is some continuing consultation required to complete compliance with the Regulations. This will be concluded prior to the Cabinet meeting and, if necessary, an addendum provided on the results of that consultation.

Impact on staff

- 6.17 It is not envisaged that there will be any significant impact on staff now employed at each school. There are existing vacancies in the senior management and a decision on amalgamating the schools will allow a revised structure to be developed.

Arrangements for the governing bodies

- 6.18 If statutory proposals are agreed to be implemented, arrangements will be made with the governing bodies for an interim governing body to work with the headteacher from the end of the Autumn term 2010. The new governing body will be in place for the date of implementation, subject to the outcome of the statutory proposals process.

FURTHER ACTION NOW PROPOSED

- 6.19 The outcome of the consultation has been reviewed and it is clear that there is support for the proposal. Officers are continuing to work with the Headteacher and governing bodies to plan for the transition to the amalgamated school.
- 6.20 The Cabinet is recommended to agree to publication of statutory proposals for the closure of Thomas Buxton Junior School and the simultaneous change of the age range of Thomas Buxton Infant School to include children up to the age of 11 years. The statutory proposals will be published in East End Life and made available at the schools. Any comments or representations on the proposals should be submitted to the Council by the end of the six week period.
- 6.21 As referred to above, after the statutory representation period, there will be a further report to Cabinet. This will include details of any comments made during the representation period. Cabinet will be asked to take account of these and the detail of the report in reaching a decision on whether to proceed to implement the proposals. An appeal against the decision can be made to the Schools Adjudicator by the Roman Catholic or Church of England Diocese, or the governing body of the school concerned. If the Council is unable to reach a decision on the proposals within two months of the end of the representation period, they have to be referred to the Schools Adjudicator.
- 6.22 The timetable for the process is set out below:

Initial consultation	May 2010
Cabinet receives a report on the consultation and decides on publishing formal statutory proposals	8 September 2010
Statutory proposals published with 6 weeks allowed for comments	1 November to 10 December 2010
Cabinet meets to consider any comments from the 4 week period and, in the light of these, to decide on implementing the proposals as published or with any modification	February 2011
Amalgamation takes effect	1 April 2011

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 The school's revenue budgets will be increased to reflect the increased size of the building and the rise in pupil numbers. This funding is within the Dedicated Schools Grant which reflects increases in the total roll in the Borough.
- 7.2 The report does not identify any specific capital works that arise from this amalgamation, but it does indicate that some minor works may need to be prioritised within the CSF programme and will be funded from available capital resources.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1. The report proposes discontinuance of Thomas Buxton Junior School and consequent change in upper age limit of Thomas Buxton Infant School.
- 8.2. The report correctly identifies that the Council may bring forward such proposals as the local education authority, but must comply with the requirements specified in Part 2 of the Education and Inspections Act 2006, Schedule 2 to the Act and regulations made under the Act. The School Organisation (Establishment and Discontinuance of Schools) (England) Regulations 2007 ("the Discontinuance Regulations") govern the proposed discontinuance. The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 ("the Prescribed Alterations Regulations"), govern the proposed change in upper age limit
- 8.3. In respect of both the discontinuance and the change in age limit, the Council is required to publish its proposals. In respect of the change in age limit, the Prescribed Alterations Regulations require the Council to follow a two stage proposal. This is set out in the report. The Council

must be able to demonstrate how it has taken into account the views expressed during the initial consultation before taking a decision to publish a formal proposal. The report states that consultation complies with the requirements of the Regulations and guidance and so the Council is in a position to determine whether to publish a proposal.

- 8.4. The Discontinuance Regulations and the Prescribed Alterations Regulations prescribe what information must be specified in, respectively, the discontinuance proposal and the change in age limit proposal. They also specify how the proposals should be publicised. Statutory notices containing specified information and stating how complete copies of the proposals can be obtained must be published in a local newspaper, and also posted at the main entrance to the school (and all the entrances if there are more than one) and at some other conspicuous place in the area served by the school (eg. local library, community centre). It is essential that the published notices comply with the statutory requirements as set out in the Regulations otherwise they may be judged invalid.
- 8.5. The statutory scheme prescribes how proposals may be determined by the Council after consultation and officers will need to take advice to ensure that these are correctly followed.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1. The Local Authority has a key role in securing effective and successful schools. This proposal is put forward to ensure the success of Thomas Buxton School and sustain educational achievement.
- 9.2. Strategies to raise educational attainment, including ensuring sufficient school places, support students in a successful period of statutory education and then moving into employment

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1. There are no specific proposals arising from this report.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1. The timetable for implementation of the amalgamation will be managed with the Headteacher and governing bodies to ensure that it is effectively dealt with.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1. There are no specific implications arising.

13. EFFICIENCY STATEMENT

13.1. The LA is seeking to ensure efficient organisation of local services by proposing the amalgamation.

14. APPENDICES

Appendix 1 – Consultation document

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”

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

Results of consultation

Pat Watson 020 7364 4328

THOMAS BUXTON INFANT AND JUNIOR SCHOOLS

CONSULTATION WITH PARENTS ABOUT PROPOSALS TO AMALGAMATE THE SCHOOLS Summer Term 2010

What is being proposed?

1. Tower Hamlets Local Authority (LA) and the Governors of the Infant and Junior schools are considering amalgamating them. That would mean that in the future the schools would become one school, with Lorraine Flanagan as Headteacher and one governing body rather than the current two.
2. Before the LA and Governors go ahead they want to know what you think.
3. Details about the proposals and how you can make your voice heard are set out below.

When might all this happen?

4. Amalgamating schools takes quite a long time. The earliest it could happen is January 2011 so there is plenty of time to discuss the proposal with you thoroughly before decisions are taken.
5. The consultation process has two stages. This first stage asks for views, mainly from parents, staff and governors of the two schools. Depending on the outcome of that consultation the LA will decide whether or not to go ahead with the second, formal stage. If at this stage the governing bodies of both schools decided that they did not want to amalgamate, it is very unlikely that the LA would go ahead with the proposal.
6. If it is decided to go ahead, the second, formal stage will probably take place during the autumn term next year. During that time anyone can object to the proposal and details about how they can do that will be available at the schools and in the local press. After that, the Council's Cabinet receives a report on the consultation and makes the final decision on the amalgamation going ahead.

Why is amalgamation being proposed?

7. The LA and Governors want the best education possible for your children. We want both schools to be outstanding - it is what your children deserve. But as education changes it becomes more difficult to keep those standards high in smaller schools.
8. The key to making both schools outstanding is the quality of the teachers and the Headteacher.
9. Recruiting good quality teachers is harder when the range of experience in the school is limited to one key stage. It limits their experience and makes it harder for them to develop their career.

10. Now that Lorraine Flanagan has been appointed as head of both schools, the schools will be run in the same way, with the same policies, teaching and expectations.
11. Larger schools have more flexibility in how they organise the school, use their money and staff to the greater benefit of all children. They also do not have to spend time and energy on organising the transfer from one school to the other.
12. Since the appointment of Lorraine Flanagan as head all staff have started to work together and collaborate to improve things for all children. As parents you will already have seen the benefits of working with one head, although the two schools remain separate.
13. Parents on the other hand in general like small schools particularly for very young children. They like the intimacy. Tower Hamlets believes that the size of school proposed strikes the right balance between keeping that personal contact whilst creating an institution that is large enough to attract good staff, benefits from economies of scale and avoids the distraction of transfer at age seven.

How big would the new school be?

14. The new school would be for 420 pupils plus nursery. On paper that is twice as big as either of the current schools and might sound really big to some of you. In practice of course it is exactly the same size as the two schools are now in total. Those of you with children in both schools will already be familiar with a school of this size. The new school will occupy the same buildings as now. The only difference will be that as well as one Headteacher there will be one governing body. These arrangements are much simpler and clearer to parents.
15. The schools are not full. The planned admission number (i.e. the maximum number of places offered each year for both schools is 60 with 2 nursery classes. The January rolls of the school for the last four years have been:

	Places	2007	2008	2009	2010
Infant incl. nursery	232	211	210	214	236
Infant Yr R to Yr 2	180	159	158	208	193
Junior	240	202	194	196	196

16. There are no proposals to alter the size of the school. The planned admission number for the amalgamated school would also be 60 with 2 nursery classes. The LA believes that there is and will be sufficient demand for places in the area to justify maintaining the size of the school. It believes that as a stronger, well led all through primary school it will attract more pupils and in the medium term will fill to or much nearer to its capacity.

Will my child still have a place at the school?

17. Absolutely yes. Every child at the schools when amalgamation happens is guaranteed a place in the amalgamated school. There are no exceptions.

Will it be harder for me to get my child into the school?

18. The answer is no.
19. The maximum number of children to be admitted each year, 60, will be exactly the same as it is now. The rules about who gets priority if more than 60 applications are made remain exactly the same. The special rules about admission to a nursery class place stay exactly the same as will the special arrangements for moving from the nursery class to year Reception.
20. However transfer from year 2 to year 3 will become simpler and more certain if the schools amalgamate. At the moment transferring from the infant school to the junior school is actually not automatic. To date all year 2 pupils who have wanted a place in the junior school have got one. That is because the schools are not quite full. If redevelopments in the local area boost numbers as is predicted that may not always be the case and a few parents of children in the infant school may find that they cannot get their child into the junior school. If this proposal is agreed that problem disappears and moving from year 2 to year 3 will become automatic and no different from moving from say year 1 to year 2.

Will my child see the same people at school?

21. The simple answer is yes.
22. Your child will go to school with the same children as they go to school with now.
23. Of course some pupils, teachers and other staff leave each year and new people join the school but amalgamation of it will not change that. This is because the number of staff needed depends mainly on the number of children and amalgamation makes no difference to that total number.
24. The number of office staff is not directly related to pupil numbers. But the two schools are already sharing some of these staff. So the numbers are already related to the total volume of administrative work. It is unlikely that amalgamation will change the need for administrative staff. The existing arrangements for cleaners and the premises manager will remain in place.
25. Although the detailed staffing arrangements will be for the governors of the amalgamated school the expectation is that amalgamation will make no difference to who the adults are that your child will see. Those relationships will continue just as they do now from one year to the next.

How much money will the Council save?

26. This proposal is not about saving money or closing buildings or anything like that. It is about securing the highest educational standards for your children into the future.
27. If anything amalgamation is likely to cost the LA something in the short term because some alterations to the buildings are likely to be necessary. For example, it is likely that the school office will need some work as the office organisation and reception arrangements change to reflect one school. The staffroom too may need relocating to allow all the teachers and classroom support staff to come together. But the LA believes that this would be a good investment for the future.
28. How schools are funded is complicated. In the short to medium term there will be no financial loss to the schools by amalgamating. In the long term however there may well be a change because the schools will no longer get extra funding because they are "small". However as an amalgamated school they will make savings due to their size.

How would the change be made?

29. Unfortunately the law makes the process quite complicated. Technically the LA has to close the junior school on one particular day and extend the age range of the infant school the next day. There is no risk to the education of the pupils or the employment of the staff. The current schools cannot be closed or changed unless the amalgamated one opens and your child is guaranteed a place in that amalgamated school. In practice your child will not be without a school or a school place at Thomas Buxton at any time during this process.
30. There are two ways of arriving at amalgamation:
 - to close both schools and open a new one; or
 - close the Junior school and expand the age range of the Infant school.If this change is to go ahead, the LA would follow the second route.
31. As parents and for your children it will make absolutely no difference which way it is done. It will not make any difference to the LA either. It will however affect the makeup of the new Governing Body and the LA intends to facilitate the process so that the Governing Body includes a range of Governors from both existing schools.

What disadvantages might there be?

32. Proposals to make changes to schools sometimes cause concern to the school community. Parents are concerned about disruption to their children's education or getting into the new school; staff are concerned about their jobs and the effect on their careers; and everyone wonders what will happen to the money, school buildings and grounds. We hope that the answers given to the questions about reassure you on all these points.

Conclusion

33. There is no denying that change always causes some anxiety. However the Governors and LA are persuaded at this stage that the short, medium and long term educational advantages set out above for amalgamation far outweigh any transitional difficulties. It currently seems to them that the benefits of having a single school with one Headteacher and one governing body are:
- 33.1 parents are just as likely to get a place at Thomas Buxton as now
and every child currently at either school is guaranteed a place in the amalgamated school;
- 33.2 amalgamation guarantees your child a place in years 3 to 6 which is not the case at the moment when they finish year 2 in the infant school;
- 33.3 amalgamation makes no difference to admission arrangements to
the nursery and reception;
- 33.4 a single school can provide better continuity of curriculum for both Key Stages one and two. It will have one set of plans and linked schemes of work all of which will help smooth children's progression through the school and help raise standards;
- 33.5 it is easier to recruit good headteachers and other staff to all-through primary schools. Research shows that the quality of the
Headteacher and staff is critical to a school's success;
- 33.6 amalgamation will not change the number of teachers, classroom support staff and dinner supervisors so your child will come into contact with the same staff as before amalgamation;
- 33.7 children's education will suffer minimal disruption when the change is made amounting to no more than they experience from the usual turnover of staff. For those children moving from year 2 to year 3 the disruption will in fact be much less;

- 33.8 the effect of the change on most staff will be positive or these will be no change at all;
- 33.9 the financial and other assets of the school remain secure and a larger school can use its bigger budgets more flexibly and can afford to pay for teachers with additional curriculum responsibilities and specialist skills. In practice the school will seem no bigger than now. It will use the same buildings etc as now.
34. This change is not about saving money. There is no saving to the Council and any changes to the school's funding will not happen for several years.
35. If the schools are amalgamated, the LA will arrange works after consulting the Governors to help unify the school such as creating one staff room and one school office.
36. The LA and Governors believe that this is the right time to discuss the change following the successful appointment of one, strong head for both schools.

What you can do now

37. Please take time to read this consultation paper and let us know your views by filling in the reply slip on the last page.

What happens next?

38. Come to a parents meeting to hear more about the proposal and let us hear your views. There will be two meetings at the school on

**Wednesday, 28th April
from 9am – 10am and again from 5pm – 6pm**

39. At the meetings parents and governors will be able to discuss the proposals with the chairs of governors and LA officers.
40. The views we hear during the consultation process will be considered by the governing bodies and reported to the Cabinet when it considers whether to proceed with the formal consultation to amalgamate.

Appendix 1

Possible Timetable

A possible timetable for the consultation and implementation, if agreed is set out below.

w/b19 th April 2010	Informal Consultation starts
1. 28 th April 2010 9am – 10am 2. 28 th April 2010 5pm – 6pm	Parents of the two schools meet and consider the proposal (2 meetings, one am the other pm – Monica to cover pm)
4 th May 2010 4pm – 5pm	Joint staff meeting to consider proposal
End of May	Informal consultation ends
July	Report to Cabinet on outcomes of informal consultation. Cabinet to agree whether to move to formal consultation
1 st Sept	Formal consultation starts. Consultation lasts for 6 weeks
Mid October	Formal consultation ends
Nov	Take outcomes of consultation to Cabinet. Decision made by Cabinet whether to amalgamate or not.
December	If amalgamation agreed, new interim Governing body established to lead the process to completion
January 2011	Amalgamation complete and one school established.

THOMAS BUXTON INFANT AND JUNIOR SCHOOLS

CONSULTATION ON THE PROPOSED AMALGAMATION OF THOMAS BUXTON INFANT AND JUNIOR SCHOOLS

Please tick as appropriate

I agree with the proposal to amalgamate the two schools.

I do not agree with the proposal to amalgamate the two schools.

I am not sure

Other comments

Name: _____

—

Parent, Governors,
Other (please
state) _____

Date: _____

—

Please return this slip by 28th May 2010 to:

The school office

Agenda Item 8.1

Committee/Meeting: Cabinet	Date: 8th September 2010	Classification: Unrestricted	Report No:
Report of: Kevan Collins, Chief Executive Originating officer(s) David Sommerfeld, Scrutiny and Equalities Support Officer		Title: Youth Offenders: Supporting Vulnerable Young People. Report of the Scrutiny Working Group Wards Affected: All	

Lead Member	Cllr Shiria Khatun and Cllr Abdal Ullah
Community Plan Theme	A Safe and Supportive Community
Strategic Priority	Tackling and preventing Crime Focusing on early intervention

1. **SUMMARY**

- 1.1 This report submits the report and action plan in response to the recommendations of the Scrutiny Working Group review on Youth Offenders: Supporting Vulnerable Young People. The Working Group recommendations set out the areas requiring consideration and action by the Council and the Partnership to help prevent youth offending.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Consider the report on Youth Offending as set out in Appendix A.
- 2.2 Agree the response to the recommendations from the Working Group as set out in Appendix B noting that continuing consideration is to be given to the emerging policy changes and public sector funding decisions of the new Coalition Government that have been made since the agreement of these recommendations by the Overview and Scrutiny Committee in April 2010.

3. **REASONS FOR THE DECISIONS**

- 3.1 It is consistent with the Constitution and the statutory framework for Cabinet to provide a response.
- 3.2 In responding to the recommendations this report outlines how the issues raised will be taken forward by the Council

4. ALTERNATIVE OPTIONS

- 4.1 In responding to the recommendations full consideration has been given on how the recommendations can be incorporated to existing and future work streams.

It is essential to recognise that this review and its recommendations were developed before the election of the new Coalition Government and the announcement of significant reductions in public sector funding and emerging policy changes. Therefore, the action plan will need to be reviewed in line with emerging government policy and given the financial constraints ensure that activities can be met within existing budgets.

Any alternative response to the recommendations will be considered by the Overview and Scrutiny Committee as part of their recommendation tracking report every six months.

5. BACKGROUND

- 5.1 The Working Group was established in July 2009 by Councillor Denise Jones (at the time the Scrutiny Lead Member for a Safe and Supportive Community), to investigate the causes of youth crime, looking at what interventions are already in place to combat youth crime and what further work the Council could do to further reduce youth crime and lower youth re-offending rates.

- 5.2 The review had the following objectives:

- The national agenda on youth crime and prevention;
- Local monitoring and partnership arrangements and the respective roles of partners. This included the consideration of local youth crime trends, along with any diversity issues that may be apparent;
- Current preventative initiatives across the partnership;
- Levels of health, the role of families and the links to youth offending;
- Reasons why young people might be involved in crime and their views on preventative initiatives;
- The support given to the most vulnerable young people in problematic and vulnerable families – particularly looking at the support given to vulnerable young people who have housing issues.

- 5.3 To gather evidence the Working Group visited a Young Offenders Institute and a Youth Court. They also undertook a number of interviews and focus groups with young people being supported by the Youth Offending Team and parents of young offenders. In addition to this a number of evidence gathering sessions were held with key stakeholders such as the Police, the Youth Justice Board and the Youth Offending Team. The evidence gathered has helped develop and inform the recommendations of this review.

- 5.4 The resulting report and recommendations were agreed by the Overview and Scrutiny Committee in April 2010 as attached in Appendix A. An action

plan responding to these recommendations has been developed and attached in Appendix B.

6. BODY OF REPORT

- 6.1 The Working Group found that youth crime is a complex issue. There is no one reason why a young person may get into crime, instead there are many reasons, some obvious and some not. This is seen in the Youth Justice Board's (YJB) findings, which show the many risk factors that could lead to a young person getting involved in crime, grouped into the four categories of family, school, community and personal. Within these categories the risk factors stretch from poor housing to alienation. The Working Group's research showed that areas of particular importance for Tower Hamlets were resettlement of young offenders, re engagement of young people with the education system, support provided to families of young offenders and the provision of activities for young people. The Working Group also found that to combat youth crime communication between organisations needed to be improved, training for officers outside of the Youth Offending Team (YOT) should be offered, questions over resources needed to be taken into account, continual benchmarking of best practice needed to happen and support needed to be provided to offenders transitioning from the youth justice to the adult justice systems.
- 6.2 The Working Group's recommendations include looking at ways to re-engage young people with the education system and ensuring emergency accommodation is available for young people coming out of custody. If engaged with education, the young person is less likely to offend and more likely to move away from crime as well as being more employable later on in life.
- 6.3 The Working Group found that the YOT is a high performing team that provide an essential service. They work extremely well with other partners, such as schools, Police and the YJB. This partnership working has helped achieve impressive success with youth crime in the borough. In interviews with young people the Working Group continued to come across evidence where the YOT's intervention had helped to reduce the risk of young people offending or re-offending.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report describes the action plan in response to the recommendations of the Scrutiny Working Group review on Youth Offenders: Supporting Vulnerable Young People.
- 7.2 The majority of the recommendations do not have any immediate financial implication except R10 around the possibility of number of work placement which could result in additional costs depending on number of work placement and the length of time of the placement. The impact of R15 will require the YOT to reduce the programme in line with reduction in funding to maintain financial parity.

7.3 Other than matters raised in Para 7.2, there are no specific financial implications emanating from this report but in the event that the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial approval before further financial commitments are made. Also, the report recommends that the Youth Offending Team reviews its existing funding given the constraints on future grant funding of the service.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

8.1. The provision by the Overview and Scrutiny Committee of reports and recommendations to the Executive in connection with the discharge of the Council's executive and non-executive functions is consistent with Article 6 of the Council's Constitution, in turn reflecting the requirements of section 21 of the Local Government Act 2000. Cabinet should provide a response and one is proposed in the attached Action Plan.

8.2. The report contains 17 recommendations relating to the delivery of services in respect of youth offenders and related matters. The Council has a number of relevant statutory functions, including requirements under the Crime and Disorder Act 1998 to have and to implement strategies for the reduction of crime and disorder, for combating substance misuse and for the reduction of re-offending. The Council is required under the same Act to have a youth offending team and to secure the provision of youth justice services in Tower Hamlets. Other relevant functions may be found in the Education Acts.

8.3. The recommendations set out in the report appear capable of being carried out within the Council's statutory functions. Whether or not each action is lawful will ultimately depend on the detail of how it is carried out and it will be for officers to ensure that legal advice is taken as appropriate and the recommendations are carried out lawfully. For example, in respect of recommendation 6, the form of any support to be provided for an academy will need to be the subject of advice to ensure that it is consistent with the Council's statutory functions.

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 As this report deals with young people it only focuses on one section of the population. However, as youth crime often causes tensions between young people and other groups it affects all of our residents. Therefore if these recommendations are adopted, they will help create a more cohesive community, and help distil the fear of young people as well as reduce crime. Furthermore, recommendations 1 – 10 will help to integrate young offenders into the wider, law abiding society and provide young people with opportunities to take charge of their future.

9.2 It should also be noted that evidence gathered in this report show some concerning trends. For example, in 2008/09 Asian/Asian British young people

committed the highest proportion of offences that held a substantive outcome. While Black/Black British young people were over represented in the youth justice system compared to the proportion of Black/Black British make up of Tower Hamlet's population as a whole. As the recommendations aim to help all young offenders, it is hoped that these trends will also be addressed by the action plan.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 There are no direct environmental implications arising from this report.

11. RISK MANAGEMENT IMPLICATIONS

11.1 There are no direct risk management implications arising from this report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 The recommendations of this report aim to reduce both the occurrence of youth crime and the re-offending of young offenders.

13. EFFICIENCY STATEMENT

13.1 The damage caused by youth crime and the work needed to deal with crime brings with it a heavy financial cost. If youth crime is reduced, as the recommendations propose, the Council will be able to save money on tackling crime in the future.

14. APPENDICES

Appendix A - Youth Offenders: Supporting Vulnerable Young People. Report of the Scrutiny Working Group

Appendix B – Action Plan and Response to Scrutiny Working Group Review, 'Youth Offenders: Supporting Vulnerable Young People'

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

No background papers were used in this report. David Sommerfeld x4454

Appendix A

Overview and Scrutiny Committee Working Group Report

Youth Offenders: Supporting Vulnerable Young People



**The London Borough of Tower Hamlets Council
March 2010**

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Acknowledgements

The Working Group would like to thank HM Young Offenders' Institution Huntercombe for giving them the opportunity to visit the Institution, the Pupil Referral Unit at the Harpley Centre to allow them to meet parents and the Thames Youth Magistrate Court for allowing them to see a youth court in action and meet court officials. Much of what was learnt at these visits has informed this review. The Working Group also wishes to thank all the young people and parents they interviewed and met in focus groups. Their contribution has influenced many of the recommendations.

Working Group Chair:

Councillor Denise Jones Chair, Scrutiny Lead, Safe and Supportive Communities

Working Group Members

Councillor Carli Harper-Penman
Councillor Motin Uz-Zaman
Councillor Rajib Ahmed
Councillor Abjol Miah
Councillor Phil Briscoe
Councillor Stephanie Eaton

Co – Opted Member

David Chesterton Local Resident, Magistrate, Chair of Advisory group for the Young Offenders Academy Project

Other Councillors involved in the review

Councillor Ann Jackson
Councillor Dulal Uddin
Councillor Abdul Aziz Sardar

London Borough of Tower Hamlets' Officers

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Mohammed Shahazan	Youth Inclusion and Support Panel and Challenge and Support Manager
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Chair's Forward

Tower Hamlets Community Plan sets a vision to 'improve the quality of life for everyone living and working in Tower Hamlets'.

The theme of Safe and Supportive Communities, embedded in 'One Tower Hamlets,' is central to this vision. It is about creating a place where crime is rare and tackled effectively and where communities feel they can live in peace. It recognises that the most disadvantaged people are at risk of becoming perpetrators and victims of crime and calls for strong targeted support and intervention.

The aim of this Review was to gather information from the Youth Justice Board, Youth Offending Team (YOT), the establishments young offenders are involved in (such as the Courts and Young Offending Institutions), and young people and parents to enable us to find out why young people in Tower Hamlets get involved in crime, how effective the national and local prevention schemes are and to see if we could come up with some suggestions that might make improvements.

As this review developed it became clear that youth offending is complex. The Scrutiny Members found that the majority of young people we interviewed had underachieved at school and had opted out of the education system. Many had housing problems and most had difficulty with anger management. We believe that closer communications could be developed between local agencies, to ensure that families, schools, housing and health providers work together on the progress of young offenders.

The Youth Justice Board point out that as the risk factors of youth offending overlap with educational underachievement, young parenthood and adolescent mental health problems, addressing them helps to tackle a number of negative outcomes and not only youth offending. This is why the 17 recommendations we make are so important. These recommendations also cover a wide set of issues, as each new piece of evidence gained, uncovered further issues.

We were impressed with the quality of the work carried out by the YOT, the YJB, the Young Offenders Institutions and the Youth Courts. We were even more impressed by the clear dedication, and care shown by officers for the young people they were working with.

I would like to thank all the young people and their parents who took part in this Review. We see this as a first attempt and would like to suggest the London Criminal Justice Board and Youth Justice Board could encourage other Boroughs to conduct a similar review. I would also like to thank all those listed above for giving their time and for making suggestions to improve the system.

I hope this Review will go some way towards changing systems for the better and that maybe, with effective cross-agency working, Tower Hamlets could one day become a safe and supportive place for young people.

Cllr Denise Jones
Scrutiny Lead, Safe and Supportive.

Recommendations

Resettlement of young offenders

- R1** That the Children, Schools and Families Directorate sign up to the principles of the London Youth Resettlement Pledge.
- R2** That all young offenders who are at risk of becoming homeless are assessed by a housing officer prior to discharge.
- R3** That the Children, Schools and Families Directorate and the Housing service investigate the provision of additional emergency supported housing within Tower Hamlets for young people leaving custody, or appearing before the youth court and in need.

Re engagement of young people with the Education system

- R4** That the Youth Offending Team maintains up to date data on the number of young people in the Youth Offending Team cohort with special educational needs.
- R5** That, in line with the Rose review, the Children, Schools and Families Directorate support schools so that all teachers are made aware of the difficulties of dyslexia and specialist teachers in each school are trained to recognise the symptoms of dyslexia.
- R6** That Cabinet consider supporting the UK Foyer Federation's proposal to create a Young Offenders Academy in East London.

Family support

- R7** That the Children, Schools and Families Directorate ensure that parenting courses are recommended as a matter of course to parents of young people who are entering the Youth Justice system.
- R8** That the Youth Offending Team develop exit strategies for families of young offenders, linking with targeted youth support and parenting support.

Provision of activities

- R9** That the Children, Schools and Families Directorate use innovative methods of communication to publicise the activities and courses available through Youth Services.
- R10** That the Human Resources Team and Skillsmatch explore increasing the number of work experience placements, specifically targeting ex-offenders (linked with the Worklessness Scrutiny Review).

R11 That the Youth Offending Team discuss with CAMHS (Child and Adolescent Mental Health Services) the provision of anger management training for young offenders, as appropriate.

Communication

R12 That the Youth Offending Team and Social Care ensure there is good and appropriate communication between them and any Tower Hamlets young person placed in a Young Offenders Institution, Secure Training Centres or Secure Children's Homes, whether on remand or sentence.

Training

R13 That the Children, Schools and Families Directorate ensure that as part of their basic training all social workers and youth workers are given introductory training in local systems for work with young people at risk of offending.

Resources

R14 That Cabinet lobbies Central Government and the Youth Justice Board to ensure Young Offenders Institutions are sufficiently funded to provide a full range of education, mental health and other support services, to facilitate each young offenders transition into responsible, law abiding adulthood.

R15 That in preparation for a period of fiscal tightening the Youth Offending Team identifies and tracks all its current and anticipated funding. Many important programmes have at risk all or part of their funding. This situation requires close monitoring, particularly where partnerships are involved.

Benchmarking

R16 That the Youth Offending Team regularly benchmark against innovative youth offending schemes nationally and where appropriate internationally.

Transition

R17 That the Youth Offending Team ensures young offenders are supported during the transition from the youth justice to the adult justice system, providing full information to Probation services at the point of transfer.

Introduction

1. In 2009/10 the Scrutiny Lead for Safe and Supportive Communities, Councillor Denise Jones, identified the challenges of youth offending and its impact on young people's lives, aspirations and the wider community as the focus for a scrutiny review. Youth crime is a concern for residents that continues to be raised with Councillors. Neither the Council, nor the Police, can tackle youth offending alone; it requires a sophisticated partnership approach. In addition to managing youth offending, it is important that there are interventions in place to prevent young people from offending both for their well being and to reduce the cost of addressing the aftermath. Crime, anti-social behaviour and the fear of crime pose risks to the harmony of communities and challenges community cohesion. It is therefore important to have systems in place to help young people resist being involved in crime and to support those who succumb to reduce the risks of re-offending.
2. Tackling youth crime should not just be about enforcement and punishment or prevention and support as required by our regional partners. It should also be about listening to local people and developing local solutions with them. This review has been a useful opportunity to explore the reasons why local young people get involved in crime and what they think preventative measures should look like. In involving both young people and their parents the Working Group have gained a better understanding of a young offender's experience, allowing them to identify ways of improving support and intervention.
3. The aims of the review were to find feasible solutions to preventing youth crime by looking at:
 - The national agenda on youth crime and prevention;
 - Local monitoring and partnership arrangements and respective roles of partners including consideration of local youth crime trends taking into consideration diversity issues;
 - Current preventative initiatives across the partnership;
 - Levels of health, the role of families and the links to youth offending;
 - Reasons why young people might be involved in crime and their views on preventative initiatives;
 - The support given to the most vulnerable young people in problematic and vulnerable families – young people and housing issues
4. To achieve this aim the Working Group agreed the following work programme for the review:

Introductory Meeting (November 2009)

- Agree scoping document
- The National and Local drivers behind youth offending
- Young Offenders Academy Project, a new approach to young offenders in East London

Visits, Interviews and Focus Groups (October 2009 – February 2010)

- Visit to Huntercombe Young Offenders Institute in Oxfordshire
- Interviews with young people on the Intensive Supervision and Surveillance Programme (ISSP)
- Focus group with young people referred to the Youth Inclusion and Support Panel (YISP)
- Interviews with young people on the Resettlement and Aftercare Programme (RAP)
- Focus group with parents of young offenders
- Focus group with young people on the Triage Programme
- Visit to Thames Youth Court

Second Review Meeting (December 2009)

- The Police's perspective of youth offending
- Tower Hamlets' Youth Offending Team's (YOT) performance
- Trends of learning difficulties amongst young offenders
- The current local preventative measures

Third Review Meeting (January 2010)

- Young offenders and housing
- The London Youth Resettlement Pledge
- Review of evidence and discussion of possible recommendations

Background

National context

5. The Crime and Disorder Act 1998 sets out measures to prevent offending, as part of the youth justice system. The implementation of this aim is undertaken nationally through the Youth Justice Board (YJB) and locally through the Youth Offending Team (YOT). With the recent implementation of the Police & Justice Act 2006 councils now have powers to scrutinise crime and disorder partnerships. The Local Government and Public Involvement in Health Act 2007 also grants powers to review and scrutinise Local Area Agreements and the work of partner organisations signed up to targets within them.
6. The YJB for England and Wales is an executive non-departmental public body. Its board members are appointed by the Secretary of State for Justice. The YJB oversees the youth justice system in England and Wales. It works to prevent offending and re-offending by children and young people under the age of 18, and to ensure that custody for them is safe, secure, and addresses the causes of their offending behaviour.
7. An important part of the youth justice system is the YOT. Every local authority in England and Wales has a YOT and their work will involve working in partnership with the police, probation service, social services, health, education, drugs and alcohol misuse and housing officers. In addressing youth offending, YOTs are responsible for putting in place preventative initiatives. With key partners the YOT is required to produce an annual Youth Justice Plan setting out what youth offending looks like and local preventative measures to address the findings.
8. The Government's Youth Crime Action Plan 2008¹ is a cross-government action plan for tackling youth crime. Recognising that the majority of young people are law abiding citizens, it sets out measures to tackle the issue. Enforcement and punishment where behaviour is unacceptable, non-negotiable support and challenge where it is needed are the foundations of its approach.
9. The London Reducing Re-offending Action Plan sets out the commitment to address the needs of offenders and re-offenders against the backdrop of a growing national prison population. It sets out to improve the co-ordination of services for prisoners on release from custody which is likely to reduce the risks of re-offending. It promotes better information sharing enabling better co-ordination and has the potential to reduce costs and tackle social exclusion issues for the individual. Following on from the consultation on this, the Government has made a commitment to improve the resettlement of young offenders. A key part of this is to forge better links between housing and YOTs. Part of this would be a Youth Re-settlement Pledge, which aims to place children aged 16 and 17 years of age as children in need under the Children

¹ 'Youth Crime Action Plan 2008,' HM Government, July 2008.

Act 1989. The potential negative impact of young people who cannot return to their parental home cannot be under-estimated. Recognising the vulnerability of children placed in bed and breakfast who then re-offend, the Youth Resettlement Pledge sets out to provide suitable accommodation which meets their needs.

10. The YJB's research has classified the risks factors of a young person becoming an offender within four different areas of family, school, community and personal.² The risks factors are shown below:

Risks factors for youth offending			
Family	School	Community	Personal
Poor parental supervision and discipline	Low achievement beginning in primary school	Living in a disadvantaged neighbourhood	Hyperactivity and impulsivity
Conflict	Aggressive behaviour (including bullying)	Disorganisation and neglect	Low intelligence and cognitive impairment
History of criminal activity	Lack of commitment (including truancy)	Availability of drugs	Alienation and lack of social commitment
Parental attitudes that condone anti-social and criminal behaviour	School disorganisation	High population turnover, and lack of neighbourhood Attachment	Attitudes that condone offending and drug misuse
Low income			Early involvement in crime and drug misuse
Poor housing			Friendships with peers involved in crime and drug misuse

11. The YJB point out that as the risk factors of youth offending overlap with educational underachievement, young parenthood and adolescent mental health problems, addressing them helps to tackle a number of negative outcomes and not only youth offending.

Local context

12. The Community Plan for Tower Hamlets sets out the vision to 'improve the quality of life for everyone living and working in Tower Hamlets'. The theme of Safe and Supportive Communities embedded in 'One Tower Hamlets' is central

² 'Risk and Protective Factors.' Youth Justice Board, 2005.

to this review. It is about creating a place where crime is rare and tackled effectively and where communities feel they can live in peace. It recognises that the most disadvantaged people are highest at risk of becoming perpetrators and victims of crime; it calls for strong targeted support and intervention.

13. Though Resident concerns about crime reduced from 55% in 2007/08 to 47% in 2008/09³, it is still a key priority for residents. Another key concern for residents is anti-social behaviour, although there has been a significant reduction in the percentage of residents seeing anti-social behaviour as a problem from 2007/08 to 2008/09. Over 50% of residents say teenagers hanging around the streets, people using drugs and parents not taking responsibility for the behaviour of their children are key anti-social behaviour related issues of concern for them.
14. According to the Office for National Statistics, the total population of Tower Hamlets was approximately 223,000 in 2005 and was characterised by youth and ethnic diversity. 28% of residents are aged 19 years or younger (National Statistics, 2005) and 76% of the school age population are from a minority ethnic group. GLA (2006) projections for Tower Hamlets demonstrates that the number of young people aged 5 to 19 is likely to increase by 2011. This makes Tower Hamlets a relatively young borough and has implications for service provision. It increases the risk and perceptions of young people being involved in youth offending activities and the management of this jointly with partners and parents is crucial. A growing young population in a borough ranked as the third most deprived could present further challenges in addressing youth offending.

Youth offending in Tower Hamlets

15. The four main offences in the last three years involving 10 to 17 year olds in Tower Hamlets have been violence against the person (204 offenders in 08/09, relating to 20.1% proportion of youth crime committed that year), drugs (153 offenders in 08/09, relating to 15.1% of the proportion of youth crime committed that year), theft and handling (111 offenders in 08/09, relating to 10.9% of the proportion of youth crime committed that year) and public order offences (98 offenders in 08/09, relating to 9.7% of the proportion of youth crime committed that year). There have also been high incidences of motor vehicle crime, robbery and criminal damage related offences. Although the numbers of offences with substantive outcomes, such as reprimand, final warnings or court sentences, have reduced from 1159 in 2006/07 to 1015 in 2008/09, such offences impact negatively on the 10 to 17 years olds who are involved and on the wider community.
16. Table 1 shows offences in 2008/09 with a substantive outcome committed by young people broken down by ethnicity.⁴ The percentages in the table express what proportion of the overall number of offences these numbers relate to.

³ 'Annual Residents Survey' 2008/09

⁴ The data highlighted is for 2008/09, any trends identified can change year on year.

Given the diversity of the young population, there appears to be a high percentage of Asian young people who are involved in youth crime.

Table 1

Ethnic Category	Number	%
Asian or Asian British	542	53.4%
White	260	25.6%
Black or Black British	109	10.7%
Mixed	96	9.5%
Chinese or Other Ethnic Group	Figures too small for statistical analysis	

17. Table 2 shows the ethnicity of young offenders over a three year period, against ethnicity breakdown of the general population. This shows that Black or Black British youth are over represented in Tower Hamlets' youth justice system compared to the percentage of the population they make up.

Table 2

Offenders Ethnicity	All Years	Population Estimate
Asian or Asian British	56.6%	58.5%
Black or Black British	9.9%	6.2%
Chinese or Other Ethnic Group	0.7%	2.3%
Mixed	6.3%	3.8%
Unknown	0.3%	
White	26.2%	29.1%

18. Table 3 shows there appears to be a disproportionate number of young 10 to 17 year old males involved in youth offending during 2008/09 where there has been a substantive outcome.

Table 3

Gender	% of offences committed by group
Male	89.6%
Female	10.4%

Tower Hamlets Youth Justice Plan

19. It is a requirement of all local authorities and their partners to produce a Youth Justice Plan. It sets out local youth offending issues and what preventative measures will be put in place. Its remit is to focus on young people aged 10-17 years at risk of youth offending. The key strategic aims of the Youth Justice Plan are to:

- Prevent offending

- Reduce re-offending
- Ensure the safe and effective use of custody
- Increase victim and public confidence.

20. The priorities in the Youth Justice Plan 2008 were informed by the Youth Justice Service's work which aimed to engage with the families and to expand on their early intervention work. It was recognised that this approach would have some immediate effect but the impact on youth crime would be seen in the long and medium terms.

21. Due to this direction of work the Plan⁵ recognised the need to develop work with First Time Entrants, Custodial Remands and Parenting Support and the need to improve performance on Accommodation. The following preventative and support measures have been put in place:

- Youth Inclusion and Support Panel (YISP)
- Triage
- Out of School Patrols

Current preventative and supportive measures

22. The YOT already use a number of tools to both prevent youth offending and to support young offenders. A summary of these are given below:

- **A case management role** - For a significant number of the young offenders the YOT works with, the YOT provide a case management role.
- **Intensive Supervision and Surveillance Programme (ISSP)** - This provides an alternative to custody. It is designed to meet the needs of the community and the young offender. The offender has to spend 25 hours a week under intensive supervision for the first 3 months. After this they have reduced supervision (minimum of 5 hours a week and weekend supervision) usually for 3 months. During these supervisions, the young people are engaged in activities that look at offending behaviour, interpersonal skills, education, training, employment, family support and restorative justice.
- **Challenge and Support Programme (CaSP)** - This programme aims to prevent the escalation of anti social behaviour by children and young people by using a 'triple track' approach to tackle anti social behaviour and youth crime. The first track is 'tough enforcement,' where measures like Anti Social Behaviour Orders are used to stop escalation of anti social behaviour. The second track is 'non-negotiable support,' where support is given in conjunction with the tough enforcement. The final track is 'early effective intervention,' where it is ensured young people have access to support, such as the YISP, that could help them break down the barriers they face.

⁵ 'Youth Justice Plan Planning Tool,' 2008/09

- **Resettlement and aftercare programme (RAP)** - This provides support to vulnerable children and young people leaving custody by supporting the young person with employment and housing issues. The aim is to help young people escape the re-offending cycle.
- **Triage Programme** - This programme includes the expertise of the YOT in the Police's decision making process for low gravity, first time offences committed by 10 -17 year olds. Young people on the programme participate in activities of restorative intervention and crime and consequences sessions. Support is also offered to the Parent or Carer of the young person.
- **Youth Inclusion and Support Panel (YISP)** - 8 – 13 year olds who are seen as being at risk of committing crimes (they may not have committed a crime) are referred to the panel by social workers, teachers and sometimes parents. Once referred to the panel, the panel will try and find ways to help the young person and their family, aiming to help them access mainstream services.

Tower Hamlets' YOT's performance

23. The Working Group noted that the YOT in Tower Hamlets is successful in the work it does. This is clearly seen by its performance figures as shown in Table 4.

Table 4

Indicator	Result by percentage	Result by number	London Average
NI 19 Rate of proven re-offending by young offenders	0.39% (Jan 09 – March 09)	63 re-offences in a cohort of 162 during the period Jan – March 2009	0.28% (Jan 09 – March 09)
NI 111 First time entrants to the Youth Justice System aged 10 – 17	14.4% reduction when comparing the six month period of April 09 – Sep 09 with April 08 – Sep 08	113 (April 09 – Sep 09) 132 (April 08 – Sep 08)	14.5% reduction
NI 43 Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody	6.1% (April 09 – Sep 09)	264 sentences, 16 of these were custodial (April 09 – Sep 09)	7.5% (April 09 – Sep 09)

<p>NI 45 Young offenders' engagement in suitable education, training and employment (ETE)</p>	<p>82.2% (April 09 – Sep 09)</p>	<p>67 young people aged 16 and over are supervised by the YOT</p> <p>58 young people aged 16 and over in suitable education, training and employment (ETE)</p> <p>85 young people aged below 16 supervised by the YOT</p> <p>69 young people aged below 16 in ETE.</p>	<p>75.7% (April 09 – Sep 09)</p>
<p>NI 46 Young Offenders' access to suitable accommodation</p>	<p>97.2% (April 09 – Sep 09)</p>		<p>96.2% (April 09 – Sep 09)</p>

24. The Working Group heard from officers at the YJB that Tower Hamlets tends to out perform their statistical neighbours. In particular the performance around resettlement has meant the YJB have often sign posted other YOTs to Tower Hamlet's integrated resettlement service as good practice. The Working Group also found that the Council is on track to meet its Local Area Agreement indicator of NI 19 (Rate of re-offending by young offenders). Though this shows the YOT work in Tower Hamlets to be effective, this does not mean there is not space for improvement.

Findings

Resettlement of young offenders

25. The Government Office for London (GOL), the YJB and Young London Matters claim that nationally, approximately 70% of young offenders will re-offend within 12 months of being released from custody.⁶ In Tower Hamlets the average number of re-offences per young person in the youth offenders cohort, between January and March 2009 was 0.39 (out of a cohort of 162 there were 63 re-offences). The risk of re-offending increases if support, such as appropriate accommodation, is not given to the young offender when leaving custody.
26. These findings were borne out by information gained by Members from the interviews and the visit to the Huntercombe Young Offenders Institution. In interviews with young people from Tower Hamlets on the Resettlement and Aftercare Programme (RAP), they told stories of being resettled in hostels which also housed drug dealers and prostitutes, were dirty and there was no one of their own age. One young person told how the hostel she had been placed in was not near her school, resulting in her staying away from school. All of these factors were not conducive to stopping the young person re-offending. It was not until there was further intervention by a support officer from the RAP that the young person's risk of re-offending seemed to be reduced. When speaking to officers at the Young Offenders Institution, Members were told that one of the challenges faced was resettlement of the young people after leaving the Institution.
27. The Working Group noted that Tower Hamlets is already doing a lot to deal with this issue of resettlement. The Head of Homelessness and Housing Advice Services informed the Working Group that the Homelessness Strategy 2008 – 2013 had changed the originally limited response to resettling homeless young offenders. They now have a Housing Options Support Team (HOST), which includes a Criminal Justice Worker and a dedicated Young Persons Worker. They are now moving to the cessation of using Bed and Breakfast accommodation by mid 2010. They have also increased the use of 'supportive' accommodation such as Drapers City Foyer, Kipper: Jeremiah House and Whites Row. All of this is designed so a homeless young offender referred to the Homeless Team is both resettled and given adequate support.
28. The London Youth Resettlement pledge was GOL's, YJB's and Young London Matters response to the issues of resettlement of young offenders leaving custody. The pledge identified 10 key services that a young person should get on leaving custody (see Appendix 1). From the Working Group's consideration of the London Youth Resettlement pledge, it became apparent that the Children Schools and Families Directorate are in the process of doing or already do the majority of the Pledge's requirements. Though the majority of the services mentioned by the pledge are being done, Members felt that to ensure this work

⁶ 'London Youth Resettlement Pledge,' GOL. YJB and Young London Matters, 2008. Page 2.

continues and we meet all areas of the pledge the Council should sign up to the principles of the Youth Resettlement Pledge.

R1 That the Children, Schools and Families Directorate sign up to the principles of the London Youth Resettlement Pledge.

29. One of the key services mentioned in the London Youth Resettlement Pledge is the need to ensure that homeless young offenders are assessed for housing before they leave custody. This service is important, as if done fully it will reduce the chances of a young person leaving custody homeless and should reduce their likelihood of re-offending. The Working Group felt this service should be strengthened and so recommends that young offenders at risk of being homeless are assessed before they are discharged.

R2 That all young offenders who are at risk of becoming homeless are assessed by a housing officer prior to discharge.

30. Though there is a lot of work happening around resettlement, it was recognised by Members that there was space for improvement. One area that needs improvement is that there is not enough emergency supported housing for young people. This was particularly a problem when young people were suddenly released from a Young Offenders Institute. Informed by the findings that the risk of re-offending is increased if a young person is not given support on leaving custody, the Working Group felt this lack of emergency supported housing was a particular risk to seeing an increase in re-offending. Therefore the Working Group recommends that the Children, Schools and Families directorate and Housing service explore the provision of additional emergency supported housing for young people from Tower Hamlets who are leaving custody.

R3 That the Children, Schools and Families Directorate and the Housing service investigate the provision of additional emergency supported housing within Tower Hamlets for young people leaving custody, or appearing before the youth court and in need.

Re engagement of young people with the Education system

31. The Working Group learnt that many young people in custody had literacy and learning difficulties. According to the YJB, in 2003, 90% of the young people in custody in the United Kingdom had difficulty in writing. In Tower Hamlets, 210 of the young people who were part of the YOT during 2003 – 2005 were screened for reading recognition and comprehension. This related to about 40% of the young people who had been on the YOT during that period. Out of this group, 32% were referred to a Dyslexic assessment. It became clear to the Members, from this information, that young people in custody or on the YOT often have learning difficulties. However, this data was old and therefore was unable to give an up to date picture about the learning difficulties faced by young people on the YOT. Without up-to-date data it is difficult to assess the appropriate actions that need to be taken. For these reasons, the Review recommends that up to date

data on the special education needs of the young people in the YOT should be available for all partners working with young offenders.

R4 That the Youth Offending Team maintains up to date data on the number of young people in the Youth Offending Team cohort with special educational needs.

32. Though this data is out of date, the Working Group noted that learning difficulties can lead to frustration and low self esteem, which in turn can lead to depression and violence, though this does not mean that because a young person has learning difficulties they will automatically commit a crime. The point is that a lot of young offenders suffer from these problems and need help.
33. The Working Group noted that for some young people, problems with reading and writing made it difficult to engage with the education system. This lack of engagement was seen in the interviews undertaken by Members, where the young people often described school as 'boring.' This boredom seemed to arise from a lack of interest in the subject matter covered, some even suggested it was, 'too easy.' This seems to result in many of the young people the Members met having a laissez-faire attitude towards education and school. However, it was also clear that this could lead to frustration, which in turn could lead to depression and violence. A lack of engagement in the education system often leads to staying away from school and a higher likelihood of getting in trouble with authorities. If we assume that this lack of engagement also leads to a low attainment in literacy and numeracy (due to not being at school), Stephenson (Cited in the Department for Education and Skills report 'Rising Standards')⁷ shows that this has a greater effect on the young person as they get older. Having low attainment leads to a failure to achieve qualifications, which in turn decrease employability which leads to an increased risk of offending. Therefore, to stop youth offending, even when they are older, it is important that this disengagement with the education system is addressed.
34. One way of addressing this disengagement is through dealing with the learning difficulties. Though dyslexia is only one of the learning difficulties, the Rose Report, which looked into dyslexia for the Secretary of State for Children, Schools and Families, made a recommendation to ensure teachers are supported to recognise the difficulties of dyslexia and schools have specialist teachers who are trained to identify the symptoms of dyslexia at an early age. Rose points out that success in spotting learning difficulties and dealing with them is achieved if the teachers know what they are doing and why they are doing it.⁸ It is likely that if teachers are taught to recognise the difficulties of dyslexia they may also see the signs of other learning difficulties which they would not be able to diagnose but could refer to specialists.

⁷ Stephenson cited in 'Raising Standards, A Contextual Guide to Support Success in Literacy, Numeracy and ESOL Provision.' Department for Education and Skills, 2007

⁸ 'Identifying and Teaching Children and Young People with Dyslexia and Literacy Difficulties. An independent report from Sir Jim Rose to the Secretary of State for Children, Schools and Families' June 2009. Pages 15 -16.

R5 That, in line with the Rose review, the Children, Schools and Families Directorate support schools so that all teachers are made aware of the difficulties of dyslexia and specialist teachers in each school are trained to recognise the symptoms of dyslexia.

35. The belief that we need to find ways to re-engage young offenders with the education system is also one of the motivations behind the UK Foyer Federation's proposal to develop a Young Offenders Academy in East London. The Chair of the advisory group for the Young Offenders Academy Project explained to Members that currently the State is required to provide education to young people in custody, however due to lack of resources the education provided is not always of good quality or for long periods of time. What is more, by going into custody, the education and any other support the young person was receiving, is disrupted, making it more difficult to fully educate or support the young person. The proposed Young Offenders Academy has been designed to combat this in a cost effective way.
36. The Young Offenders Academy would be a campus model. It would consist of three units. The first would be a secure unit that accommodated 75 young people, the second would be a residential unit that supported 75 young people and the third would be a service hub. Importantly the Academy would be situated somewhere within East London, no further than one hour's transport ride from where the young person lives. The service hub would have organisations based there like the YJB, so outreach work could be done.
37. The importance of the location and having support organisations based on the hub is that it will stop the disruption caused by being sent to Young Offenders Institutions that are often miles away from home. In Lord Woolf's inquiry⁹ into the prison disturbances of the 1990's, it was found that a way to help the running of a prison and reduce the risk of re-offending was to ensure the prisoner was situated in a prison that was near enough to home that they could keep their links with their community and family. The youth offenders establishments run by Fundacion Diagrama in Spain, have found that having a local catchment area means that close communications are developed with local agencies, ensuring everyone, from families and schools to accommodation and health providers are continually involved in the progress of young offenders. Therefore the location also allows the young person's previous provision of education or social work to not be disrupted.
38. The advantage of having the three different units means that the Academy can concentrate not only on lowering the risk of re-offending among those in custody but also intervene, through the other two units, with those who have not entered custody and help lower the risk of them becoming offenders. Furthermore, according to the Foyer Federation's calculations this type of academy would cost less than the amount currently spent on keeping young people in custody. It is

⁹ Woolf cited in 'Youth Offenders in East London.' East Potential, 2008.

proposed that the Council should look at the possibility of supporting a pilot of the Young Offenders Academy in East London.

R6 That Cabinet consider supporting the UK Foyer Federation's proposal to create a Young Offenders Academy in East London.

Family support

39. Through interviews with the young people and the review meetings, it became clear to Members that youth offending has many complex reasons behind why it happens and affects more than just the young offender and their victim. A group that youth offending affects in a big way is the family of the offender. The Working Group recognised that the family needed as much support as the offender. An interview with the parent of a young offender showed how they felt at a loss to know what they could do to prevent their child from re-offending.
40. It also became apparent to the Working Group that the Family has an important role in reducing the risk of a young person offending. It was particularly noticeable to Members that many of the young people they saw in their short visit to the Thames Youth Court, had a home life that was not very stable. Some of the young people seen at the Court were in foster care and others had parents who were very ill. While the majority of the young people seemed to have a problem with anger.
41. On speaking to the Legal Team Manager at the Thames Youth Court, the Working Group were told that it was felt that parenting orders were not being used effectively. As any form of support for the Family gives them the tools and ability to support the young offender not to re-offend, parenting orders are a useful tool. Therefore, the Working group recommends they are readily available to parents of young people entering the justice system and that the Youth Court could consider summoning absent parents to court to impose a parenting order.

R7 That the Children, Schools and Families Directorate ensure that parenting courses are recommended as a matter of course to parents of young people who are entering the Youth Justice system.

42. When the Working Group interviewed a parent, she said she had found the support provided by the YOT, Pupil Referral Unit and Police was brilliant at first. However, it was later, when the young person was still getting into trouble and the parent had tried everything to solve the problem, she felt the family lacked the support they needed. They no longer knew who they could turn to for help.
43. The Working Group recognised that the YOT cannot provide support to parents indefinitely. However it was felt that exit strategies developed for the families, which could signpost families to other support, would ensure they could still receive the support they needed.

R8 That the Youth Offending Team develop exit strategies for families of young offenders, linking with targeted youth support and parenting support.

Provision of activities

44. In the focus group of young people on the Triage programme and when the Working Group met young offenders from Tower Hamlets at the Huntercombe Young Offenders Institution, the young people complained that one of the reasons they got into crime was because they were bored as there was nothing for them to do in their areas, with things like youth clubs open at the wrong times. When challenged over this statement, it became apparent that the young people did not actually know what was available for them in the Borough or what time youth clubs were open. When Council Officers were questioned about this at the review meetings, they pointed out that youth clubs are widely publicised in the local areas through East End Life and the Tower Hamlets' youth website 'amp.' (<http://www.amp.uk.net/>). Though this is the case, it was clear that the young people still did not know what options they had available. As young people are more likely to use new technologies to find out about what is happening, it is recommended that it be investigated how such technologies could be used to ensure young people both knew about activities available and got involved in them.

R9 That the Children, Schools and Families Directorate use innovative methods of communication to publicise the activities and courses available through Youth Services.

45. When speaking with young people, Members found that some wanted to go on training courses which could help them get a job. This was particularly the case for the young people on the ISSP and Triage programmes. Looking again at Stephenson's¹⁰ model, this would have a positive effect on the young person's future, as it would make them more employable and therefore less likely to re-offend. It is suggested that to address this issue the recommendation from the Scrutiny Review on Reducing Worklessness (2009/10), that looks at increasing the number of work experience placements for ex-offenders is included in the recommendations for this review.

R10 That the Human Resources Team and Skillsmatch explore increasing the number of work experience placements, specifically targeting ex-offenders (linked with the Worklessness Scrutiny Review).

46. It became clear to the Working Group that many of the young people they spoke to had anger management difficulties. It seemed that many had got into trouble as they believed the way to solve their problems was through violence. The Working Group understood that problems around aggression was a common factor of young offenders in the system. This alludes to the findings of the YJB

¹⁰ Stephenson cited in 'Raising Standards, A Contextual Guide to Support Success in Literacy, Numeracy and ESOL Provision.' Department for Education and Skills, 2007

that found out of 301 young offenders, 31% had mental health needs.¹¹ It was recommended by the young people on the ISSP programme that a way to deal with this challenge would be to offer anger management training to young offenders on the YOT, where appropriate. The Members agreed that such a provision is essential to lower the risk of offending.

R11 That the Youth Offending Team discuss with CAMHS (Child and Adolescent Mental Health Services) the provision of anger management training for young offenders, as appropriate.

Communication

47. As identified by the UK Foyer Federation, when a young person enters custody often their support services and education are disrupted. This can happen because the young person can be sent to a Young Offenders Institution miles away from where they live (Feltham, in Surrey, is the nearest Institution to Tower Hamlets). On the visit to the Huntercombe Young Offenders Institution the Working Group also heard of this lack of continuity between the support services and found another cause of it was a lack of communication between the Institution, the YOT and Social Care services.

48. If this disruption is addressed the young person would continue to get the support they need to lower their risk of re-offending. Therefore the Working Group recommends that communication between YOT, Social Care and the places like Youth Offending Institutes is both good and regular.

R12 That the Youth Offending Team and Social Care ensure there is good and appropriate communication between them and any Tower Hamlets young person placed in a Young Offenders Institution, Secure Training Centres or Secure Children's Homes, whether on remand or sentence.

Training

49. The Working Group agreed that one of the best ways to stop a young person getting into crime was through early intervention. Programmes like the YISP, which work with young people who have been identified as being at risk of offending but are not convicted, allow this to happen. However, for such programmes to work they rely on professionals being able to identify the young people who would come under this category. Such identification could happen through clear assessments by social workers who had been trained to recognise the symptoms. Additionally, if youth workers undergo training they could identify some of the young people they work with.

50. In the first review meeting Members were told about the current development of the Youth Crime Action Plan which introduces a scaled approach to intervening with young people who are at risk at offending. It was recognised that such an

¹¹ 'Mental Health, Source Document.' Youth Justice Board, 2008.

approach was designed to help those who were more likely to offend. This in turn meant that resources were being taken away from those at the lower end of the scale, young people who were just getting into criminal activities. Again, training of professionals such as social workers and youth workers would ensure those young people on the lower end of the scale were picked up, through tools such as assessments, and referred to appropriate help.

51. The Working Group recognised that the YOT deals with young people who could be classed as being at the higher end of the scale regarding their likelihood to offend or re-offend. Those at the lower end were likely to be dealt with by professions such as youth workers or social workers. To ensure that these young people did not become a higher risk, it is essential that these professionals are trained to identify young people at risk of offending and signpost them to the local systems for working with such young people.

R13 That the Children, Schools and Families Directorate ensure that as part of their basic training all social workers and youth workers are given introductory training in local systems for work with young people at risk of offending.

Resources

52. At Huntercombe Young Offenders Institution the Working Group discovered that there had been a cut in education provision for the young people in custody from 18 hours to 15 hours a week. They also got 10 hours of prison activities a week. This meant that when the prison was at full capacity, it was unable to ensure all young offenders got appropriate activities all day, every day. This can result in the young people spending long periods of time sitting in their cells watching TV. In the long term this also means the young people are not given the opportunity to learn the skills that could prevent them from re-offending in the future.

53. It was suggested that the key issue was the lack of funding for the Institute to allow them to provide appropriate activities and education. Therefore the Working Group recommends that while other options, such as the Young Offenders Academy are being developed, the Council takes a proactive role in lobbying Central Government to ensure Young Offending Institutions have adequate funds to provide education and training for young offenders.

R14 That Cabinet lobbies Central Government and the Youth Justice Board to ensure Young Offenders Institutions are sufficiently funded to provide a full range of education, mental health and other support services, to facilitate each young offenders transition into responsible, law abiding adulthood.

54. In a presentation to Members on Tower Hamlets' performance around youth offending, the Youth Justice Board (YJB) identified that a challenge that would be faced by Tower Hamlets' YOT was the likely financial limitations they would encounter due to the current recession and future cuts in public sector spending. The Working Group, later found that successful programmes such as the YISP did not have secure long term funding, as they were being funded through pots of money such as Participatory Budgeting.

55. Therefore, in light of the current economic situation, the Members feel that programmes at risk of losing funding should be identified as being at risk and closely monitored.

R15 That in preparation for a period of fiscal tightening the Youth Offending Team identifies and tracks all its current and anticipated funding. Many important programmes have at risk all or part of their funding. This situation requires close monitoring, particularly where partnerships are involved.

Benchmarking

56. In researching for this review the Working Group have not only seen innovative practices by Tower Hamlet's YOT but have come across other progressive practices around dealing with youth offending elsewhere in the country and abroad. One example is the young offenders establishments managed by Fundacion Diagrama in Spain.¹² At these establishments, the primary function of each member of staff is to facilitate a young offender's transition into a law abiding individual within society. Their local catchment areas and funding allow them to build a close working relationship with all parties involved in a young offender's life. The Spanish legal system sees the duration of custodial sentence for a young person as an opportunity for that young person to pass an education or training course. This idea is so prevalent that the sentences often relate to an education cycle. At the same time, Judges will regularly visit custodial establishments and are in frequent communication to review the progress of offenders.
57. The Working Group suggests that Tower Hamlet's YOT can continue to improve its work by investigating such innovative schemes as described above and so recommends that benchmarking against innovative schemes is carried out on a regular bases by the YOT.

R16 That the Youth Offending Team regularly benchmark against innovative youth offending schemes nationally and where appropriate internationally.

Transition

58. This Scrutiny review has dealt with many different issues. However, some of the issues that the research identified could not be dealt with fully by this review. One such issue was the difficulty faced by those transitioning from the youth justice system to the adult justice system. Within the youth justice system a person is given a lot of targeted support. This changes when a young person becomes an adult, making the transition challenging. It is suggested by the Working Group that a piece of work should be carried out to investigate this issue. However, at the same time, to help this transition, the Working Group

¹² 'Notes of a brief visit to young offenders establishments managed by Fundacion Diagrama in Spain. 2, 3, 4, February 2010.' Unpublished notes. Copies available from the Scrutiny and Equalities Team.

recommend that the YOT work with Probation at the point of transfer, to ensure Probation have all the information they require to support the offender.

R17 That the Youth Offending Team ensures young offenders are supported during the transition from the youth justice to the adult justice system, providing full information to Probation services at the point of transfer.

Conclusions

59. The Working Group welcomed the opportunity to look in depth at the issues of youth offending. The review aimed to find feasible solutions to preventing youth crime. To do this, they looked at what intervention measures are already in place, the support given to the vulnerable children and families and why young people get involved in crime.
60. The Working Group found that youth crime is a complex issue. There is no one reason for why a young person may get into crime, instead there are many reasons, some obvious and some not. This is seen in the Youth Justice Board's (YJB) findings that shows the many risk factors for a young person getting into crime could be grouped into four categories of family, school, community and personal. Within these categories the risk factors stretch from poor housing to alienation. The Working Group's research showed that areas of particular importance for Tower Hamlets were resettlement of young offenders, re engagement of young people with the Education system, support provided to Families of young offenders and the provision of activities for young people. The Working Group also found that to combat youth crime communication between organisations needed to be improved, training for officers outside of the Youth Offending Team (YOT) should be offered, questions over resources needed to be taken into account, continual benchmarking of best practice needed to happen and support needed to be provided to offenders transitioning from the youth justice to the adult justice systems.
61. The Working Group's recommendations have suggested include looking at how to re-engage young people with the education system and ensuring emergency accommodation is available for young people coming out of custody. If engaged with education, the young person is less likely to offend and more likely to move away from crime. This includes being more employable later on in life. It was also noted that by ensuring that there is adequate support systems for young people they are less likely to re-offend.
62. The Working Group also found that the YOT is a high performing team that provide an essential service. They work extremely well with other partners, such as schools, Police and the YJB. This partnership working has helped achieve impressive successes with youth crime in the borough. Finally, in interviews with young people the Working Group continued to come across stories where the YOT's intervention had helped young people reduce the risk of them offending or re-offending.

Appendix 1

The London Youth Resettlement Pledge (The 10 Key Services)

Directors of Childrens Services with local authority partners:

1. Local authority childrens services to carry out CIN assessments under Section 17 of the Children's Act 1989 on all children and young people released from custody where the YOT or secure establishment identifies that they may be a child in need¹³

For those young people who reach the threshold for services following a CIN assessment, the necessary resettlement and support services should be provided to address assessed levels of need.

2. Where a young person is already looked after by the local authority, the allocated social worker should continue to discharge their statutory responsibilities throughout the period in custody and on release, including co-ordinating LAC reviews and subsequent care planning.
3. Young people of school age to have a 'back to school' interview with a representative from childrens services prior to release, or at the latest within 2 days of release, with an offer of a school place/education placement made within 5 working days of release.
4. All NEET young people to have an agreed education and training plan prior to release and meet with a Connexions PA or equivalent within 5 working days of release from custody
5. Where a parent / carer is not able to meet a young person on release, a key worker(s) should meet them at the secure establishment in order to accompany them home. In the case of young people who are looked after, the allocated social worker should meet them.
6. All parents/carers of young people in custody to be given access to parenting/ family support prior to release from custody, and for a period after release
7. All young people leaving custody to have prompt access to positive activities on release from custody¹⁴
8. Joint accommodation assessments between the YOT and Local Authority Homeless Persons Unit will be undertaken for all homeless 16/17/18 year olds prior to release from custody for advice on housing options and where appropriate, provision of accommodation and support

¹³ See Howard League judicial review judgement on Manchester City Council re. Local Authorities duties to young people in custody (November 2006)

¹⁴ Education and Inspections Act 2006 (Section 6)

And in partnership:

9. Registration with GP and access to sexual health advice within 5 working days
10. All young people with an identified alcohol and substance misuse problem to have an agreed careplan prior to release, and meet with their YOT drugs worker / community drugs worker either immediately on release, or within no more than 5 working days, depending on levels of risk and need.

All young people with significant mental health problems and those who are subject to the CAMHS CPA (Care Programme Approach) to be seen by the YOT health worker immediately on release, or within no more than 2 working days, depending on levels of risk and need.

Scrutiny and Equalities in Tower Hamlets

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Appendix B – Response to Scrutiny Working Group Review, ‘Youth Offenders: Supporting Vulnerable Young People’

As outlined in paragraphs 7.1 to 7.3 of this report all the recommendations will be met within existing budget. Specific financial implications on individual recommendations are highlighted in the action plan below.

Scrutiny Review – Youth Offenders: Supporting Vulnerable Young People			
Recommendation	Response / Comments	Responsibility	Date
Resettlement of young offenders			
R1. That the Children, Schools and Families Directorate sign up to the principles of the London Youth Resettlement Pledge.	This action was implemented through the ‘Making a Positive Contributions Action Plan.’ This has meant that it has been streamlined through the Children and Young People’s Plan (CYPP) and continued implementation and monitoring will be maintained through the Children and Families Trust.	Stuart Johnson (Head of Youth Offending Services)	Completed
R2. That all young offenders who are at risk of becoming homeless are assessed by a housing officer prior to discharge.	Through discussions between the Youth Offending Team (YOT) and the Housing Options Team, the two teams will look at the feasibility of carrying out this action. There is currently a service agreement between the two teams which governs joint working, which is to be updated soon. Resources for the recommendation are containable within existing resources.	Stuart Johnson (Head of Youth Offending Services) David Gingell (Manager of Housing Advice and Housing Options Service)	Ongoing
R3. That the Children, Schools and Families Directorate and the Housing service investigate the provision of additional emergency supported housing within Tower Hamlets for young people leaving custody, or appearing before the youth court and in need.	The Housing Options Service will consider this point within its wider investigations into generally increasing provision for young people in housing need. There are likely to be significant financial implications although that does not diminish the importance of this objective; rather, such implications will fundamentally influence the joint work to investigate and develop any provision.	David Gingell (Manager of Housing Advice and Housing Options Service)	March 2011

Re engagement of young people with the Education system				
R4.	That the Youth Offending Team maintains up to date data on the number of young people in the Youth Offending Team cohort with special educational needs.	It has been agreed by the YOT that this information will be logged on to their data information system, the Youth Offending Information System (YOIS). The data will be placed in the appropriate place of case characteristics. This will indicate whether young people have special education needs (SEN) and whether this is at School Action, or Statutory Statemented level. The case information will be available through our standard educational information requests made as part of the assessment process for their court reports. This information will then be available as a statistic through the Information Systems Data draw down mechanisms.	Ian Suatt (Education Coordinator and YOT Teacher)	May 2010
R5.	That, in line with the Rose review, the Children, Schools and Families Directorate support schools so that all teachers are made aware of the difficulties of dyslexia and specialists teachers in each school are trained to recognise the symptoms of dyslexia.	The Support for Learning Service (SLS) has disseminated national training materials (the Inclusion Development Programme) to all schools in the Borough and has hosted a number of local conferences promoting how to improve the skills of all teachers. In the light of the Rose report these materials will be updated and the SLS will provide further dissemination and training opportunities for schools.	Roland Ramanan (Joint Head of Early Years – Children and Learning)	July 2011
R6.	That Cabinet consider supporting the UK Foyer Federation's proposal to create a Young Offenders Academy in East London.	Cabinet have already pledged their support for this proposal as part of their consideration of the report into The Public Safety of Young People. Any future development will be presented to Cabinet. No additional financial implications arising at this stage, but if the scheme does go ahead, this will need to be considered by Cabinet.	Mary Durkin (Head of Youth and Community Learning)	Ongoing

Family support			
R7.	That the Children, Schools and Families Directorate ensure that parenting courses are recommended as a matter of course to parents of young people who are entering the Youth Justice system.	<p>A leaflet has been developed which will be given to all parents explaining parenting support available.</p> <p>It should be noted that the Parenting courses are subject to the continuation of Youth Justice Board's and other grant funding.</p>	<p>Stuart Johnson (Head of Youth Offending Services)</p> <p>June 2010</p>
R8.	That the Youth Offending Team develop exit strategies for families of young offenders, linking with targeted youth support and parenting support.	A system for exist strategies is currently in development and will address issues highlighted by this recommendation.	<p>Mary Durkin (Head of Youth and Community Learning)</p> <p>September 2010</p>
Provision of activities			
R9.	That the Children, Schools and Families Directorate use innovative methods of communication to publicise the activities and courses available through Youth Services.	<p>The Children, Schools and Families Directorate are doing a number of things to publicise the activities and courses available. These are:</p> <ul style="list-style-type: none"> • Redevelop the amp.uk.net site to provide up-to-date information about services in the borough. • Consolidate thelearninghub.org site into the amp.uk.net to provide young people with a one stop shop on information about courses and activities. • Working closely with the London Serious Youth Violence Board (LSYVB) in promoting their London wide campaign which aims to change perceptions of youth violence in the capital. • Ongoing promotion of holiday activities throughout the year (holiday periods) • Working closely with the Olympics and Find 	<p>Sukhjinder Nunwa (Communications and Engagement Service Manager)</p> <p>June 2010</p> <p>June 2010</p> <p>June/July 2010</p> <p>Ongoing throughout the year</p>

	<p>Your Talent teams to host a Summer Festival for young people and families</p> <ul style="list-style-type: none"> Developing a social marketing policy to actively engage young people through innovative methods 		<p>Festival to start mid July 2010</p> <p>July 2010</p>
R10. That the Human Resources Team and Skillsmatch explore increasing the number of work experience placements, specifically targeting ex-offenders (linked with the Worklessness Scrutiny Review).	<p>As part of the Local Economic Assessment and review of the employment strategy, the Employment & Enterprise team will be identifying and consulting on the key activities targeting different client groups. Following this comprehensive quantitative, qualitative and analytical process, action plans will be developed in association with available investment.</p> <p>Opportunities and barriers to be scoped with HR by June. Leading to development of action plan to deliver 14-19 targets. Action Plan to include Directorate targets and ensure some opportunities ring fenced for young people most at risk</p> <p>An annual target of 90 work experience places (15 in each directorate) has been agreed. Placements are being developed between April – July and are due to come on steam from July/August until the end of the financial year.</p> <p>Children, Schools and Families Directorate is working very closely with partners and asking them to identify opportunities for funding for work placements.</p>	<p>Andy Scott (Employment and Enterprise Manager)</p> <p>Wendy Forrest (Director, The HUB) Mike Tyler (Director, Education Business Partnership)</p> <p>Linda Crawford (Organisational Development and Positive Action Schemes Manager)</p>	<p>LEA Due date July 2010</p> <p>Cabinet December 2012</p> <p>September 2010</p> <p>August 2010</p>

<p>R11. That the Youth Offending Team discuss with CAMHS (Child and Adolescent Mental Health Services) the provision of anger management training for young offenders, as appropriate.</p>	<p>Currently a protocol is being developed between CAMHS and the YOT. Once finalised, this item will be incorporated into the working arrangements.</p>	<p>Mick Reid (Operational Manager of the Youth Offending Team)</p> <p>Emma Fayter (Head of Nursing CAMHS)</p>	<p>August 2010</p>
<p>Communication</p>			
<p>R12. That the Youth Offending Team and Social Care ensure there is good and appropriate communication between them and any Tower Hamlets young person placed in a Young Offenders Institution, Secure Training Centres or Secure Children's Homes, whether on remand or sentence.</p>	<p>There is an ongoing discussion happening between the Youth Offending Team (YOT) and Social Care on this issue. The YOT will continue to ensure that visits take place with a Tower Hamlets' young person in a Young Offenders Institution as per the Youth Justice Board standard.</p> <p>The Children's Social Care will continue to ensure:</p> <ul style="list-style-type: none"> • That if a young person is looked after at the point of entry to a Young Offenders Institute (YOI) or Secure training centre, they work in line with the principles of the Children Act 1989 in maintaining contact with the young person. • A young person retaining their looked after status in a YOI or Secure training centre, the young person receive all services commensurate with legislation for looked after children. • All children are assessed prior to release to check whether or not they need social care intervention. The YOT team refers to the Integrated Pathways and Support team where necessary. 	<p>Stuart Johnson (Head of Youth Offending Services) Paul McGee</p>	<p>Ongoing</p>

	<ul style="list-style-type: none"> In relation to the first two points the Children's Social Care team will be involved in the discussing/ planning for a young person exiting either a YOI or Secure training centre. 		
Training			
R13. That the Children, Schools and Families Directorate ensure that as part of their basic training all social workers and youth workers are given introductory training in local systems for work with young people at risk of offending.	<p>The YOT will explore how this could be implemented as part of the Induction process for new staff in Children, Schools and Families.</p> <p>Organisation Development are reviewing the course structure for those going through the Post foundation stage of the Social Workers training. They will look at wither they can introduce something around working with young people at risk of offending into this redesigned course.</p>	<p>Stuart Johnson (Head of Youth Offending Services)</p> <p>Ann Johnson (Social Care Training Coordinator)</p>	July 2010
Resources			
R14. That Cabinet lobbies Central Government and the Youth Justice Board to ensure Young Offenders Institutions are sufficiently funded to provide a full range of education, mental health and other support services, to facilitate each young offenders transition into responsible, law abiding adulthood.	The Director of Children, Schools and Families will speak to the Leader and Cabinet about developing an appropriate response to this recommendation.	Isobel Cattermole (Acting Corporate Director of Children, Schools and Families Directorate)	
R15. That in preparation for a period of fiscal tightening the Youth Offending Team identifies and tracks all its current and	The YOT Manager and the senior managers of the Children, Schools and Families Directorate are monitoring all budgets, especially grant funded targeted work, carefully and will discuss particular budgets at risks with appropriate stakeholders at an early stage. In terms of	<p>Stuart Johnson (Head of Youth Offending Services)</p> <p>Mary Durkin (Head of Youth and</p>	Ongoing

<p>anticipated funding. Many important programmes have at risk all or part of their funding. This situation requires close monitoring, particularly where partnerships are involved.</p>	<p>targeted work they looking at the provision provided these across the Directorate.</p>	<p>Community Learning) Isobel Cattermole (Acting Corporate Director of Children, Schools and Families Directorate)</p>	
<p>Benchmarking</p>			
<p>R16. That the Youth Offending Team regularly benchmark against innovative youth offending schemes nationally and where appropriate internationally.</p>	<p>In the annual benchmarking exercise which compares Tower Hamlet's YOT performance with national and those of its statistical neighbours, the Tower Hamlets' YOT was rated as 'Excellent.' The service will continue benchmarking with similar service providers and explore learning from innovative youth offending schemes.</p>	<p>Stuart Johnson (Head of Youth Offending Services)</p>	<p>Ongoing</p>
<p>Transition</p>			
<p>R17. That the Youth Offending Team ensures young offenders are supported during the transition from the youth justice to the adult justice system, providing full information to Probation services at the point of transfer.</p>	<p>The YOT will follow the Pan London agreement regarding the transfer of cases to London Probation. This agreement is currently in its final draft.</p>	<p>Stuart Johnson (Head of Youth Offending Services)</p>	<p>July 2010</p>

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Committee/Meeting: Cabinet	Date: 8th September 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director, Resources Originating officer(s) Alan Finch: Head of Corporate Finance		Title: 2009/10 Capital Outturn Wards Affected: All	

Lead Member	Cllr David Edgar
Community Plan Theme	Capital programme supports various Community Plan themes
Strategic Priority	Capital programme supports various Strategic Priorities, including those within Local Priorities Programme.

1. **SUMMARY**

- 1.1. This report details the capital expenditure incurred by the Council in the financial year ended 31st March 2010 and the resources applied to finance it.
- 1.2. The Council incurred capital expenditure of £139.376 million against a budget of £164.479 million, which represents an underspend of £25.103 million. The unspent resources will be used in future years.
- 1.3. The programme was fully funded from available resources.

2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Note the contents of this report
- 2.2 Agree to carry forward into 2010/11 approvals of £4.083 million in the Local Priorities Programme as detailed in Appendix 2

3. **REASONS FOR THE DECISIONS**

- 3.1 Decision to carry forward capital resources will provide finance for Local Priorities Programme for a variety of activities.

4. **ALTERNATIVE OPTIONS**

- 4.1 Most of this report outlines past capital expenditure, so alternative options limited to reallocation of future Local Priority Programme – this will be assessed as part of scheme review.

5. **BACKGROUND**

- 5.1 This is the final monitoring report on the 2009/10 Capital Programme. It is based on actual capital expenditure to the 31st March 2010.

5.2 It compares actual spend for the year against approved budgets, highlighting the reasons for significant variances.

6. FINAL CAPITAL BUDGET 2009/10

6.1 The Quarter 3 monitoring report which was approved by Cabinet on 10th March 2010 showed an approved total budget of £139.816 million. This has now increased to £164.479 million, for the reasons set out below. Cabinet approval dates are shown where applicable.

	£m
Budget as at Quarter 3	139.816
Additional projects approved for Communities, Localities and Culture:	
➤ Transport	2.016
➤ Parks	0.125
➤ Culture	0.170
(Corporate Director approved Dec 2009 - Jan 2010 / Noted by March 2010 Cabinet)	
Approval of Building Schools for the Future (BSF) Wave 5 schemes starting works in the final quarter of 2009/10 (BSF approved Cabinet June 2006 – tender update to August 2010 meeting)	18.987
Additional projects approved for Children, Schools and Families	0.085
Additional projects approved for Housing Revenue Account (approved by Cabinet 4 Nov 2009):	
➤ Cotall Street Demolitions	0.250
➤ Building Britain's Future	0.860
Additional projects approved for Resources Directorate:	
➤ Telephony Invest to Save (Cabinet 11 Mar 2009)	1.138
➤ Software Licences (funded from revenue budget)	1.032
Final Budget 2009/10	164.479

7. ACTUAL EXPENDITURE COMPARED TO PROGRAMMED BUDGET

7.1 Total spend to the end of the financial year (31st March 2010) represented an underspend of £25.103 million as follows:

	Budget at 31-Mar-10	Spend to 31-Mar-10	Variance	Variance as % of Budget
	£m	£m	£m	£m
MAINSTREAM PROGRAMME				
Communities, Localities and Culture	16.630	13.493	-3.137	-19%
Children, Schools and Families	68.264	54.297	-13.967	-20%
Adults, Health and Wellbeing	0.858	0.454	-0.404	-47%
Development and Renewal	1.730	0.428	-1.302	-75%
Housing Revenue Account	43.797	42.655	-1.142	-3%
MAINSTREAM TOTAL	131.279	111.327	-19.952	-15%
LOCAL PRIORITIES PROGRAMME (LPP)				
Communities, Localities and Culture	4.034	3.622	-0.412	-10%
Children, Schools and Families	4.053	0.207	-3.846	-95%
Chief Executive	7.279	4.147	-3.132	-43%
Adults, Health and Wellbeing	0.574	0.141	-0.433	-75%
Development and Renewal	6.700	2.242	-4.458	-67%
Housing Revenue Account	10.560	17.690	7.130	68%
LPP TOTAL	33.200	28.049	-5.151	-16%
GRAND TOTAL	164.479	139.376	-25.103	-15%

7.2 The final outturn for 2009/10 of £139.376 million was closely in line with the projected figure reported to Cabinet at the end of the third quarter on the 10th March 2010 (£137.479 million).

7.3 A number of schemes have spent ahead of schedule in 2009/10 as set out in the above table and in the detailed appendices. Where this has taken place, it has been possible to fund these by temporarily applying funding identified for other schemes which under spent or funding earmarked to be spent in future years. Care needs to be taken that such arrangements can be made before expenditure is incurred.

7.4 Details of budgets, actual expenditure and variances by project and/or sub programme areas, together with Directorates' reasons for variances are shown in Appendix 1.

8. RESOURCES

8.1 The capital programme for this year has been set on the basis of available capital resources and amended as further resource announcements have been made by Government and other funders, and for Cabinet decisions. The capital programme was fully funded from available resources.

8.2 A summary of the resources used to fund the 2009/10 capital programme is set out as follows:

	Directorate						
	CLC	CSF	Chief Exec	AHWB	D&R	HRA	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Funding Source:							
Capital Grants	4.767	47.761	0.000	0.409	1.112	13.722	67.769
Developers' Contributions	5.721	2.984	0.000	0.000	0.308	0.000	9.013
Supported Borrowing	0.000	2.359	0.000	0.046	0.000	15.500	17.905
Prudential Borrowing	3.802	0.000	1.138	0.090	0.000	0.000	5.029
Direct Revenue Financing	2.825	1.400	3.009	0.051	1.150	6.000	14.437
Major Repairs Allowance	0.000	0.000	0.000	0.000	0.000	13.836	13.836
Capital Receipts (Local Priorities Programme)	0.000	0.000	0.000	0.000	0.000	11.387	11.387
Total Resources Applied	17.115	54.504	4.147	0.595	2.570	60.445	139.376

- 8.3 Resources allocated for the mainstream programme are normally earmarked to schemes. However locally generated funding may be applied for the discretion of the authority. Appendix 2 sets out those Local Priority Schemes which under spent in 2009/10 and Cabinet approval is sought to carry forward the unspent amounts. These schemes will need to be reviewed as part of the forthcoming budget process to ensure that the resources allocated are still required or remain budget priorities.
- 8.4 A breakdown of the Local Priorities programme allocations and amounts to be agreed for carry-forward to 2010/11 are shown in Appendix 2.

9. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 9.1 Under Financial Regulations, it is the responsibility of senior managers to ensure that capital budgets are spent in accordance with decisions and any overspends are dealt with.

10. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 10.1 The report brings information on the Council's 2009/2010 capital expenditure to Cabinet's attention. This is consistent with the proper administration of the Council's financial affairs as required by section 151 of the Local Government Act 1972.
- 10.2 The report also seeks Cabinet's approval to bring forward capital estimates of £4.083 million for the Local Priorities Program. This request for approval is in accordance with the financial procedures established by the chief finance officer.

11. ONE TOWER HAMLETS CONSIDERATIONS

- 11.1 The report concerns the Council's Capital Programme in which each project had to demonstrate its contribution to One Tower Hamlets to be approved.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

12.1 There are no SAGE implications arising out of this report.

13. RISK MANAGEMENT IMPLICATIONS

13.1 The principal risks identified in the capital programme relate to the Local Priorities Programme's reliance upon the realisation of capital receipts. Forecasting of such receipts is inherently risky. Receipts can only be estimated based on knowledge of the market prevailing at the time, and realisation of receipts is susceptible to a range of factors outside the control of the Council, as well as the decisions the authority chooses to make itself.

13.2 To minimise risk, expenditure is no longer committed in anticipation of the proceeds from the sale of assets.

14. CRIME AND DISORDER REDUCTION IMPLICATIONS

14.1 The evaluation process for projects includes criteria for the delivery of efficiency improvements within the Council, prior to the adoption of capital estimates being approved.

14.2 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all of its services. These factors should be considered throughout the life of any project, from initial tendering for contractors to carry out works through the monitoring phase and ending with a final post-implementation review.

15. EFFICIENCY STATEMENT

15.1 This report is mainly for information on historic expenditure and outlines remaining resources for Local Priorities Programme schemes subject to further review, therefore an efficiency statement is not appropriate.

16. APPENDICES

Appendix 1 – Budgets, Actual and Projected Expenditure and Variances by Directorate

Appendix 1.1 Communities, Localities and Culture

Appendix 1.2 Children, Schools and Families

Appendix 1.3 Building Schools for the Future

Appendix 1.4 Chief Executive's and Resources

Appendix 1.5 Adults Health and Wellbeing

Appendix 1.6 Development and Renewal

Appendix 1.7 Housing Revenue Account

Appendix 2 – Local Priorities Programme Allocations to be Carried Forward to 2010/11

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
Directorate Submissions	Alison Gebbett Ext. 3360 Mulberry Place, 4th Floor.

COMMUNITIES, LOCALITIES AND CULTURE (CLC)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
MAINSTREAM PROGRAMME				
Transport				
TfL projects	4.368	2.976	-1.392	-31.9%
Transport other funded projects	4.401	3.524	-0.877	-19.9%
Parks				
Chicksand Ghat	0.600	0.595	-0.005	-0.8%
Braithwaite Park	0.125	0.108	-0.017	-13.6%
Culture and major projects				
York Hall Boiler Demolition	0.189	0.189	0.000	0.0%
Idea Store Minor Improvements	0.028	0.026	-0.002	-7.1%
Banglatown Art Trail	1.919	1.175	-0.744	-38.8%
Mile End Security works	0.199	0.162	-0.037	-18.6%
Swimming Pool Covers	0.010	0.010	0.000	0.0%
Leisure Surveys	0.023	0.023	0.000	0.0%
Public Baths	0.220	0.235	0.015	6.8%
Other				
Waste management	0.101	0.127	0.026	25.7%
Emergency planning	0.166	0.144	-0.022	-13.3%
Pay and display machines	0.160	0.000	-0.160	-100.0%
Purchase of 585 Commercial Road	3.800	3.812	0.012	0.3%
Wentworth Street Market	0.088	0.102	0.014	15.9%
CCTV	0.233	0.229	-0.004	-1.7%
Contaminated Land Strategy	0.000	0.056	0.056	0.0%
CLC MAINSTREAM TOTAL	16.630	13.493	-3.137	-18.9%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
4.070	4.070	Agreed changes and additional funding from TfL. Programme extended to 2010/11.
2.174	2.283	Additional funding received in last quarter, work programme extended.
0.600	0.600	
0.000	0.000	Funding received in last quarter, work schedule extended to 2010/11.
0.189	0.189	
0.028	0.028	
1.249	1.749	Finalisation of scheme design still to be agreed.
0.199	0.199	Final cost less than anticipated.
0.010	0.010	
0.023	0.023	
0.220	0.000	
0.101	0.089	Purchase of additional recycle bins and food waste bins as required.
0.166	0.166	Awaiting landlord approval to install generators
0.160	0.160	Funded directly from revenue
3.800	3.800	
0.088	0.088	Insurance claim did not consider the preparation and staff costs to reinstate damaged gates.
0.233	0.112	
0.000	0.000	Land surveys completed ahead of schedule (included in 2010/11 budget). Fully funded by grant from DEFRA.
13.310	13.566	

COMMUNITIES, LOCALITIES AND CULTURE (CLC)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
LOCAL PRIORITIES PROGRAMME				
Victoria Park Masterplan	0.340	0.550	0.210	61.8%
CCTV Strategy	0.718	0.718	0.000	0.0%
Street Lighting	0.200	0.199	-0.001	-0.5%
Bancroft Library	0.255	0.051	-0.204	-80.0%
Parks	2.158	1.894	-0.264	-12.2%
Identified Stores Finance	0.126	0.000	-0.126	-100.0%
20mph zones	0.014	0.005	-0.009	-64.3%
Key Parks	0.014	0.014	0.000	0.0%
Parks Programme	0.100	0.100	0.000	0.0%
Langdon Park Station	0.018	0.000	-0.018	-100.0%
York Hall Development	0.091	0.091	0.000	0.0%
CLC LPP TOTAL	4.034	3.622	-0.412	-10.2%
CLC GRAND TOTAL	20.664	17.115	-3.549	-17.2%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.340	0.340	Scheme design accelerated. Agreed and funded by Heritage Lottery Fund grant.
0.500	0.500	
0.200	0.200	
0.059	0.255	Scheme delayed due to requirement for planning permission.
2.223	1.932	Scheme slippage (Meath Gardens) due to contractor delays. Funded by section 106 developer contributions.
0.126	0.126	Retention still outstanding pending resolution of dispute with contractor.
0.014	0.014	Programme extended to 2010/11.
0.014	0.014	
0.100	0.100	
0.018	0.018	Scheme delayed due to unresolved issues with DLR.
0.309	0.273	
3.903	3.772	
17.213	17.338	

Space for sports & art	0.057	0.003	-0.054	-94.7%
Osmani (mixed funding)	0.150	0.155	0.005	3.3%
LSC	0.010	0.010	0.000	0.0%
National Institute of Adult Continuing Education	0.040	0.040	0.000	0.0%
Youth Capital Fund	0.194	0.209	0.015	7.7%
Fair Play Pathfinder	0.856	1.595	0.739	86.3%
ISPP	0.019	0.019	0.000	0.0%
Other ICT	1.454	0.000	-1.454	-100.0%
City Learning Centre	0.150	0.225	0.075	50.0%
New Opportunities Fund	0.019	0.019	0.000	0.0%
Integrated Children's Services	0.066	0.066	0.000	0.0%
SECTION 106				
BJ / Manorfield schools expansion	2.961	2.935	-0.026	-0.9%
Bishop Square	0.016	0.049	0.033	206.3%
RATES DRAWDOWN				
Various sites	0.700	0.587	-0.113	-16.1%
CSF MAINSTREAM TOTAL	24.578	18.416	-6.162	-25.1%

0.057	0.057	Spend due in 2010/11, delays in contractor completing defective works.
0.150	0.706	
0.010	0.010	
0.040	0.040	
0.193	0.020	
0.856	0.856	Full government grant funding allocated and spent.
0.019	0.019	
1.454	0.000	Projects to be agreed for expenditure in 2010/11.
0.150	0.150	Excess funded by modernisation.
0.000	0.000	
0.000	0.000	
2.961	2.961	
0.016	0.000	Spend transferred from Development & Renewal code.
0.732	1.133	Professional Development Centre scheme was part funded from LPP capital receipts resources.
23.533	24.889	

CHILDREN, SCHOOLS AND FAMILIES (CSF)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
LOCAL PRIORITIES PROGRAMME				
Bishop Challoner Community	0.935	0.000	-0.935	-100%
Youth Service (BMX Mile End)	0.100	0.005	-0.095	-95%
Professional Development Centre	0.199	0.199	0.000	0%
Harry Gosling	0.015	0.003	-0.012	-80%
School meals kitchen improvements	0.014	0.000	-0.014	-100%
CSF LPP TOTAL	1.263	0.207	-1.056	16%
CSF GRAND TOTAL	25.841	18.623	-7.218	-27.9%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.000	0.000	Contribution to school development project to be agreed
0.151	0.151	Delays occurred as further funding was required. This has now been resolved.
0.015	0.015	
0.015	0.014	Project delayed due to contractor dispute, spend will take place in 2010/11.
0.000	0.000	Spend will take place in 2010/11 to complete the project.
0.181	0.180	
23.714	25.069	

BUILDING SCHOOLS FOR THE FUTURE (BSF)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
MAINSTREAM PROGRAMME				
Wessex Centre	4.000	3.209	-0.791	-19.8%
St Paul's Way	11.500	16.856	5.356	46.6%
Bethnal Green Technology College	9.200	9.963	0.763	8.3%
Swanlea	0.050	0.007	-0.043	-86.0%
Sir John Cass	5.990	2.749	-3.241	-54.1%
Oaklands	4.147	0.057	-4.090	-98.6%
Morpeth	8.299	2.806	-5.493	-66.2%
Raine's Foundation	0.050	0.008	-0.042	-84.0%
PRU Harpley	0.050	0.016	-0.034	-68.0%
Ian Mikardo	0.050	0.175	0.125	250.0%
Central Foundation	0.050	0.000	-0.050	-100.0%
Borden House	0.050	0.030	-0.020	-40.0%
Beatrice Tate	0.050	0.005	-0.045	-90.0%
Stepney Green	0.050	0.000	-0.050	-100.0%
Phoenix	0.050	0.000	-0.050	-100.0%
Langdon Park	0.050	0.000	-0.050	-100.0%
Bow Boys	0.050	0.000	-0.050	-100.0%
BSF MAINSTREAM TOTAL	43.686	35.881	-7.805	-17.9%
LOCAL PRIORITIES PROGRAMME				
BSF Wave 5	2.790	0.000	-2.790	-100.0%
BSF LPP TOTAL	2.790	0.000	-2.790	-100.0%
BSF GRAND TOTAL	46.476	35.881	-10.595	-22.8%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
4.000	4.000	Some residual works have been taking place. Payment timing difference in 2010/11.
11.500	11.500	Accelerated construction work as there was a potential delay to school opening date.
9.200	9.200	
0.000	0.000	Design and architectural review has not progressed in 2009/10, but will take place in 2010/11
0.000	0.000	Some asbestos issues have created delays in construction in 2009/10. This will accelerate in 2010/11.
0.000	0.000	Financial Close did not take place in 2009/10. This has now happened and work will progress in 2010/11.
0.000	0.000	Construction has not progressed well in 2009/10 due to site issues. This will accelerate in 2010/11.
0.000	0.000	Design and survey works have not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Project, preliminary and design costs have been paid.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Planning permission refused, hence no progress made in 2009/10. Appeal is being undertaken and it is expected to have a successful outcome.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
24.700	24.700	
0.550	2.790	This budget provision was agreed by Cabinet to fund the ongoing works required to deliver Wave 5 of the BSF programme. £550k has been spent in 2009/10 and is included in the spend figures shown above. The remaining £2.24m is required to fund the programme over the next few years again at £550k each year.
0.550	2.790	
25.250	27.490	

Corporate DDA programme (2009/10)	0.500	0.000	-0.500	-100.0%
Corporate DDA programme (prior years)	1.000	0.745	-0.255	-25.5%
DDA improvements to public access points	0.433	0.433	0.000	0.0%
Accommodation Strategy	2.084	0.015	-2.069	-99.3%
FM Accommodation Strategy - 7th floor Anchorage Hse	0.086	0.000	-0.086	-100.0%
Rushmead	0.065	0.065	0.000	0.0%
ICT	0.941	0.719	-0.222	-23.6%
Software Licences (RCCO)	1.032	1.032	0.000	0.0%
Telephony Invest to Save	1.138	1.138	0.000	0.0%
CHIEF EXEC & RESOURCES TOTAL	7.279	4.147	-3.132	-43.0%

0.500	0.500	To be spent in 2010/11
1.000	1.000	Remainder for Professional Development Centre DDA works which were awaiting listed building consent (now received). Works start July 2010.
0.433	0.433	
2.084	2.084	To be used in the next phase of the Accommodation Strategy. £1 million allocated recently to fund Idea Store, Watney Market.
0.000	0.000	To be used when Anchorage House is vacated to fund dilapidations costs.
0.065	0.065	
0.941	0.941	Slippage on programme, balance is committed in 2010/11.
0.000	0.000	
0.000	0.000	
5.023	5.023	

ADULTS HEALTH AND WELLBEING (AHWB)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
MAINSTREAM PROGRAMME							
09/10 Mental Health Single Capital Pot	0.169	0.088	-0.081	-47.9%	0.069	0.264	£59k of committed resources carried forward to 2010/11 programme due to works not completed. In some cases schemes have been committed but works not started due to delay in tenders. Committed resources relate to multiple contractors.
Social Care Grant - Essential Health &	0.123	0.123	0.000	0.0%	0.123	0.123	
07/08 Mental Health supported capital expenditure	0.046	0.046	0.000	0.0%	0.046	0.046	
07/08 Local Implementation Plan	0.150	0.029	-0.121	-80.7%	0.031	0.150	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
07/08 Improving care-home environment	0.017	0.000	-0.017	-100.0%	0.004	0.017	
08/09 Mental Health Single Capital Pot	0.168	0.168	0.000	0.0%	0.168	0.168	
08/09 Social IT infrastructure grant	0.090	0.000	-0.090	-100.0%	0.030	0.090	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
09/10 Social IT infrastructure grant	0.095	0.000	-0.095	-100.0%	0.000	0.000	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
AHWB MAINSTREAM TOTAL	0.858	0.454	-0.404	-47.1%	0.471	0.858	
LOCAL PRIORITIES PROGRAMME							
Single assessment process	0.150	0.000	-0.150	-100.0%	0.150	0.150	Project completed under budget. This LPP resource (prudential borrowing) is no longer required by AHWB.
Electronic Homecare Monitoring(2)	0.150	0.090	-0.060	-40.0%	0.000	0.150	Delays occurred on project. Further spend will take place in 2010/11 with a likely small underspend on completion of the project.
LIFT Co Fees	0.056	0.043	-0.013	-23.2%	0.043	0.056	
Russia Lane Day Centre	0.008	0.008	0.000	0.0%	0.008	0.008	
Electronic Homecare Monitoring	0.210	0.000	-0.210	-100.0%	0.080	0.110	Delays occurred on project. Further spend will take place in 2010/11 with a likely small underspend on completion of the project.
AHWB LPP TOTAL	0.574	0.141	-0.433	-75.4%	0.281	0.474	
AHWB GRAND TOTAL	1.432	0.595	-0.837	-58.4%	0.752	1.332	

DEVELOPMENT & RENEWAL (D&R)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
MAINSTREAM PROGRAMME				
Bishop's Square	0.500	0.178	-0.322	-64.4%
Housing Pot Targeted Funding	0.810	0.100	-0.710	-87.7%
Millennium Quarter	0.200	0.130	-0.070	-35.0%
Roman Road Shops	0.220	0.020	-0.200	-90.9%
D&R MAINSTREAM TOTAL	1.730	0.428	-1.302	-75.3%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.500	0.500	The D&R element of Bishop Square Section 106 scheme incorporates a budget of £500k. The unspent resources are not specific to a particular financial year and it is anticipated that they will be fully utilised during 2010/11.
0.170	0.250	Funding of approximately £7.27m has been secured from the DCLG to facilitate the regeneration of St. Clement's Hospital site and to undertake masterplanning on the Birchfield and Malmesbury Estates. The masterplanning contracts have been let and expenditure will be incurred during 2010/11. Expenditure during 2009/10 was below the profiled level, however the funds are not specific to a particular financial year and will be carried forward for utilisation in 2010/11.
0.178	0.178	This project is fully financed from Section 106 resources. The expenditure is approximately in line with the estimated profile.
0.030	0.030	This scheme is funded through LABGI grant. Due to the timing of the commencement of the scheme, it is anticipated that the majority of expenditure will now be incurred in 2010/11. The resources are not time limited and will be carried forward to fund the programme.
0.878	0.958	

DEVELOPMENT & RENEWAL (D&R)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
LOCAL PRIORITIES PROGRAMME				
Private Sector and Affordable Housing	2.500	0.000	-2.500	-100.0%
Whitechapel Centre	0.750	0.563	-0.187	-24.9%
Disabled Facilities Grants	1.000	0.626	-0.374	-37.4%
Emergency Works Contingency	1.000	0.000	-1.000	-100.0%
Installation of Automatic Energy Meters	0.200	0.000	-0.200	-100.0%
High Street 2012	0.400	0.239	-0.161	-40.3%
Private Sector Renewal Grants	0.850	0.814	-0.036	-4.2%
D&R LPP TOTAL	6.700	2.242	-4.458	-66.5%
D&R GRAND TOTAL	8.430	2.670	-5.760	-68.3%

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.000	0.000	The capital receipts and developer contributions earmarked for these projects were not utilised in the current financial year. The resources will now be applied in future years towards the financing of major regeneration schemes including Blackwall Reach, as agreed by Cabinet in July 2009.
0.750	0.750	This scheme is fully funded through Big Lottery grant. Expenditure is being incurred in accordance with grant conditions.
0.700	0.650	This is a demand-led budget. Although expenditure was significantly below that anticipated, disabled facilities grant commitments entered into, in addition to the payments made, mean that the grant entitlement from Government subsidy will be maximised.
0.000	0.000	This contingency was established as part of the 2009/10 budget process. No calls on the provision were made during 2009/10 and the full contingency will be carried forward to be utilised as necessary in future years.
0.200	0.200	Although this scheme was commissioned towards the end of the financial year, it is anticipated that expenditure will be fully incurred during 2010/11.
0.200	0.400	Contracts were entered into for this three year project towards the end of 2009-10, and significant additional resources have been generated from external bodies as reported to Cabinet on 13 January 2010. These resources are forecast to be spent in future years. It was anticipated that £200,00 of the initial profiled expenditure of £400,000 would be incurred in the current financial year, however the funding is not time limited and will be carried forward into 2010-11.
0.850	0.850	Expenditure and commitments were in line with the budget profile anticipated.
2.700	2.850	
3.578	3.808	

HOUSING REVENUE ACCOUNT (HRA)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
MAINSTREAM PROGRAMME							
Ocean New Deal for Communities	11.189	13.511	2.322	20.8%	11.189	11.189	This project was profiled to be solely funded from New Deal for Communities grant in 2009-10, with the Authority's agreed resources being applied over the next three financial years. However to ensure that the scheme progressed in accordance with Government Office for London grant conditions, elements of the programme were brought forward from later years. This necessitated applying additional resources in 2009-10, but this will reduce the commitment in later years.
Blackwall Reach	2.000	2.401	0.401	20.1%	2.400	3.000	The Blackwall Reach project represents a £13 million commitment over three financial years. In addition, resources of £1.1 million were carried forward into 2009-10 to fund on-going leaseholder buybacks. Initial estimates were that expenditure of £2,000,000 would be incurred in 2009-10, with £4,000,000 in 2010-11 and £7,000,000 in 2011-12. This profile is flexible however, with resources in place to adapt the profiled expenditure as necessary.
Mainstream Programme	28.928	26.089	-2.839	-9.8%	28.928	27.928	The mainstream Housing Capital programme is managed by Tower Hamlets Homes on behalf of the Authority and incorporates work to the Council's own stock. The initial budget of £24.928 million was increased by £3.0 million through the bringing forward of resources from 2010-11 (Cabinet - 29 July 2009) and an allocation of £1.0 million towards Meeting Decent Homes from the Accelerated Delivery Programme (Cabinet - 4 November 2009). However these initiatives have been reprofiled with resources being carried forward into later years.
Social Housing Energy Savings Programme	1.430	0.404	-1.026	-71.7%	1.430	0.000	The Homes and Communities Agency awarded the Authority £2,070,000 of funding under the Social Housing Energy Savings Programme to deliver cavity wall insulation to its social housing units. The initial grant agreement was that £1.43 million would be incurred in 2009-10, with the remaining £640,000 to be incurred in 2010-11. This funding profile was subsequently revised in conjunction with the HCA, with the Authority carrying the unutilised element forward to fund the expenditure which is fully committed in 2010-11.
Cotall Street / Bartlett Park	0.250	0.249	-0.001	-0.4%	0.000	0.000	This scheme was approved by Cabinet in November 2009. The expenditure incurred in 2009-10 was in line with the projection.
HRA MAINSTREAM TOTAL	43.797	42.654	-1.143	-2.6%	43.947	42.117	

HOUSING REVENUE ACCOUNT (HRA)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
LOCAL PRIORITIES PROGRAMME							
Overcrowding strategy	9.700	17.585	7.885	81.3%	18.000	14.000	The Overcrowding Strategy represents a £19.4 million commitment over two financial years. The initial Cabinet report estimated that expenditure of £9.7 million would be incurred in 2009-10, with the same amount in 2010-11. As is the case with Blackwall Reach, this profile is flexible, with resources being in place to finance the expenditure in earlier years as necessary. The level of interest in the scheme meant that the number of completions during the financial year was significantly higher than initial projections anticipated. Resources were therefore brought forward into 2009-10 within a corresponding decrease in the available budget for 2010-11.
Building Britain's Future	0.860	0.105	-0.755	-87.8%	0.000	0.000	Funding was allocated to the Building Britain's Future, Council Housebuilding initiative during 2009-10, to fund the on-costs associated with the development of the projects. The work on these schemes straddles the 2009-10 and 2010-11 financial years and the funding will be fully utilised in 2010-11.
HRA LPP TOTAL	10.560	17.690	7.885	74.7%	18.000	14.000	
HRA GRAND TOTAL	54.357	60.344	5.987	11.0%	61.947	56.117	

APPENDIX 2

Project	Year of original allocation	Available Allocation at 1/4/09	Expenditure funded by Capital Receipts in 2009/10	Remaining allocation at 31/3/10
Southern Grove - Roof Improvements	2003/04	0.002	-	0.002
Introduction of Food Regeneration Kitchens at Schools	2004/05	0.005	-	0.005
Poplar Public Mortuary	2004/05	0.004	-	0.004
Improvements to School Meal Kitchens	2005/06	0.002	-	0.002
Preliminary Works for Building Schools for the Future	2005/06	0.000	-	0.000
Youth Service Accommodation Strategy	2005/06	0.100	(0.005)	0.094
Rampart Street CPO	2005/06	0.036	-	0.036
Schools kitchen refurbishment and modernisation	2006/07	0.007	-	0.007
Harry Gosling School Loan	2006/07	0.015	(0.002)	0.012
Idea Stores Finance	2006/07	0.126	(0.004)	0.122
LIFT Co Fees	2006/07	0.056	(0.043)	0.012
Business Continuity Planning	2007/08	0.036	(0.024)	0.012
ICT	2007/08	0.941	(0.720)	0.222
Essential Health & Safety	2007/08	0.269	-	0.269
Accommodation Strategy	2007/08	2.084	(0.015)	2.068
20mph zones	2007/08	0.014	(0.005)	0.009
Bishop Challoner Community Facilities	2008/09	0.110	-	0.110
Corporate DDA Programme	2008/09	0.500	-	0.500
Asset Management Programme	2008/09	0.128	-	0.128
Mandatory Disabled Facilities Grant	2008/09	0.261	-	0.261
Langdon Park Station	2008/09	0.017	-	0.017
Bishop Challenor Community Facilities	2009/10	0.435	-	0.435
Osmani Youth Centre	2009/10	1.300	(0.056)	1.244
Bancroft Library	2009/10	0.255	(0.052)	0.203
Mandatory Disabled Facilities Grants	2009/10	0.412	(0.189)	0.223
Emergency Works Contingency	2009/10	1.000	-	1.000
Street Lighting Improvements	2009/10	0.200	(0.199)	0.001
Installation of Automatic Energy Meters	2009/10	0.200	-	0.200
High Street 2012	2009/10	0.200	-	0.200
Discretionary Disabled Facilities Grants	2009/10	0.724	(0.637)	0.087
Corporate DDA Programme	2009/10	0.500	(0.245)	0.255
HRA Buybacks scheme funded from LPP - Decent Homes Reserve to reimburse LPP in 2010/11	2009/10	-	(3.658)	(3.658)
TOTALS		15.470	(11.387)	4.083

Agenda Item 12.1

Committee: Cabinet	Date: 8 th September 2010	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Corporate Director Resources Originating officer(s) Oladapo Shonola Chief Financial Strategy Officer; Lisa Stone Finance Officer		TITLE: Exercise of Corporate Directors' Discretions Wards Affected: All		

1. **SUMMARY**

- 1.1. This report sets out the exercise of Corporate Directors' discretions under Financial Regulation B8 which stipulates that such actions be the subject of a noting report to Cabinet if they involve expenditure between £0.100 million and £0.250 million.

2. **RECOMMENDATIONS**

Cabinet is recommended to:-

- 2.1 Note the exercise of Corporate Directors' discretions as set out in Appendix 1.

3. BACKGROUND

- 3.1 Regulation B8 sets out the Cabinet Reporting Thresholds for specific financial transactions.

4. FINANCIAL REGULATION B8

- 4.1 Financial Regulation B8 sets out the reporting thresholds for the following financial transactions: -

Virements

Capital Estimates

Waiving Competition Requirements for Contracts and Orders (Subject to EU threshold)

Capital Overspends

Settlement Of Uninsured Claims

- 4.2 Under Financial Regulation B8, if the transaction involves a sum between £0.100 million and £0.250 million it can be authorised by the Corporate Director under the scheme of delegation but must also be the subject of a noting report to the next available Cabinet.
- 4.3 Appendix 1 sets out the exercises of Corporate Directors' discretions, under the stipulations in 4.2 above, that have taken place since the previous Cabinet

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 5.1 The comments of the Director of Resources have been incorporated into the report and Appendix.

6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 6.1. The report sets out the individual exercises of Directors' Discretions as required by Financial Regulations.
- 6.2. The legal implications of each of the individual decisions would have been provided as part of the decision making process. These will be recorded on the "Record of Corporate Directors' Actions" maintained by Directorates

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 This report is concerned with the notification of officers' discretions under Standing Orders and has no direct One Tower Hamlets implications. To the extent that there are One Tower Hamlets Considerations arising from the individual actions, these would have been addressed in the records of each action.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no Sustainable Action for A Greener Environment implications.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The risks associated with each of the Corporate Directors' discretions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process, which lead to the decision.

10. EFFICIENCY STATEMENT

10.1 The works referred to in the report will be procured in line with established practices, taking account of best value.

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
Record of Corporate Directors actions	David Tully, Interim Head of Finance, Children Schools and Families Ext. 4960 Luke Cully, Directorate Finance Manager, Communities, Localities and Culture Ext. 5221

11. APPENDICES

Appendix 1 – Exercise of Corporate Directors' Discretions under Financial Regulation B8

Appendix 1: Exercise of Corporate Directors Discretions Under
Financial Regulation B8

Corporate Director	Amount	Description of Exercise of Discretion	Justification for Action	Contact
Corporate Director Communities , Localities & Culture	£210,000	Adoption of Capital estimate and inclusion in the Capital Programme for Millharbour Street Lighting Improvements . This approval is in excess of the noting report threshold of £100k.	Confirmation of Section 106 allocation.	Luke Cully Finance Manager CLC Ext. 5221
Corporate Director (Children Schools and Families)	£100,000 (CSF/299)	Waiving financial regulations to appoint Finefair as a provider of services for people with no recourse to public funds.	Specialist service provision for Children's Social Care	David Tully Interim Head of Finance, Children Schools and Families. Ext 4960
Corporate Director (Children Schools and Families)	£175,000 (CSF/300)	Extension of Measured Term Contract: General Building (Schools) for up to 6 months.	To ensure continuation of service, pending formal tendering process.	David Tully Interim Head of Finance, Children Schools and Families. Ext 4960
Corporate Director (Children Schools and Families)	£200,000 (CSF/303)	Extension of Measured Term Contract: Mechanical and Electrical (Schools) for up to 6 months.	To ensure continuation of service, pending formal tendering process.	David Tully Interim Head of Finance, Children Schools and Families. Ext 4960

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Agenda Item 14

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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