



Meeting of the

# CABINET

---

Wednesday, 9 January 2013 at 5.30 p.m.

---

## AGENDA – SECTION ONE

---

### VENUE

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

#### Members:

Mayor Lutfur Rahman	– (Mayor)
Councillor Ohid Ahmed	– (Deputy Mayor)
Councillor Rofique U Ahmed	– (Cabinet Member for Regeneration)
Councillor Shahed Ali	– (Cabinet Member for Environment)
Councillor Abdul Asad	– (Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	– (Cabinet Member for Resources)
Councillor Shafiqul Haque	– (Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	– (Cabinet Member for Housing)
Councillor Rania Khan	– (Cabinet Member for Culture)
Councillor Oliur Rahman	– (Cabinet Member for Children's Services)

[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:

Matthew Mannion, Democratic Services,

Tel: 020 7364 4651, E-mail: [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk)



"If the fire alarm sounds please leave the building immediately by the nearest available fire exit, to which a Fire Warden will direct you. Please do not use the lifts. Please do not deviate to collect personal belongings or vehicles parked in the complex. If you are unable to use the stairs, a member of staff will direct you to a safe area. On leaving the building, please proceed directly to the Fire Assembly Point situated by the lake on Saffron Avenue. No person must re-enter the building until instructed that it is safe to do so by the Senior Fire Marshall. The meeting will reconvene if it is safe to do so, otherwise it will stand adjourned."

# LONDON BOROUGH OF TOWER HAMLETS

## CABINET

WEDNESDAY, 9 JANUARY 2013

5.30 p.m.

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### PUBLIC QUESTION AND ANSWER SESSION

There will be an opportunity (up to 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 Matthew Mannion, Democratic Services, Town Hall, Mulberry Place, Poplar, E14 2BG or email [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk) by 5pm Wednesday, 9 January 2013.

### 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS (Pages 1 - 4)

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

### 3. UNRESTRICTED MINUTES

PAGE NUMBER	WARD(S) AFFECTED
5 - 14	

The unrestricted minutes of the Cabinet meeting held on 5 December 2012 are presented for information.

### 4. PETITIONS

To receive any 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 to be considered, arising from the meeting of the Overview and Scrutiny Committee held on 8 January 2013.

## **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**

<b>6.1</b>	<b>Payment Support Options to Leaseholders for Repayment of Decent Homes/Major Works Recharges</b>	<b>15 - 30</b>	<b>All Wards</b>
<b>6.2</b>	<b>Procurement of Decent Homes Contractors and Consultants Years 3 4 and 5</b>	<b>31 - 50</b>	<b>All Wards</b>
<b>6.3</b>	<b>Disposals Programme</b>	<b>51 - 58</b>	<b>Mile End East</b>
<b>6.4</b>	<b>Poplar Baths and Dame Colet House - Tender results report and recommendation</b>	<b>59 - 68</b>	<b>Blackwall &amp; Cubitt Town; All Wards</b>

### **7. A PROSPEROUS COMMUNITY**

<b>7.1</b>	<b>Future Commissioning Arrangements for Public Health Services</b>	<b>69 - 88</b>	<b>All Wards</b>
------------	---	----------------	------------------

### **8. A SAFE AND COHESIVE COMMUNITY**

<b>8.1</b>	<b>Bonner Primary School - Proposed Extension</b>	<b>89 - 102</b>	<b>Mile End &amp; Globe Town; Mile End East</b>
------------	---	-----------------	---

### **9. A HEALTHY AND SUPPORTIVE COMMUNITY**

<b>9.1</b>	<b>Violence Against Women and Girls Plan</b>	<b>103 - 174</b>	<b>All Wards</b>
------------	--	------------------	------------------

### **10. ONE TOWER HAMLETS**

<b>10.1</b>	<b>Housing Revenue Account First Budget and Rent Setting Report - 2013/14</b>	<b>175 - 184</b>	<b>All Wards</b>
<b>10.2</b>	<b>Council Tax Base Report</b>	<b>185 - 200</b>	<b>All Wards</b>

- |              |  |                  |                  |
|--------------|--|------------------|------------------|
| <b>10 .3</b> | <b>General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013/14-2015-16 (to follow)</b> |                  | <b>All Wards</b> |
| <b>10 .4</b> | <b>London Borough of Tower Hamlets Council Tax Support Scheme</b>  | <b>201 - 208</b> | <b>All Wards</b> |

**10 .5** **Contracts Forward Plan Q3 (to follow)**

**11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

**12. UNRESTRICTED REPORTS FOR INFORMATION**

- |              |   |                  |                  |
|--------------|---|------------------|------------------|
| <b>12 .1</b> | <b>Exercise of Corporate Directors' Discretions</b> | <b>209 - 214</b> | <b>All Wards</b> |
|--------------|---|------------------|------------------|

**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.

- |              |  | <b>PAGE<br/>NUMBER</b> | <b>WARD(S)<br/>AFFECTED</b> |
|--------------|--|------------------------|-----------------------------|
| <b>14.</b>   | <b>EXEMPT / CONFIDENTIAL MINUTES</b>   |                        |                             |
|              | Nil items.   |                        |                             |
| <b>15.</b>   | <b>OVERVIEW &amp; SCRUTINY COMMITTEE</b>   |                        |                             |
| <b>15 .1</b> | <b>Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.</b> |                        |                             |
| <b>15 .2</b> | <b>Any Exempt / Confidential Decisions "Called in" by the Overview &amp; Scrutiny Committee</b>                  |                        |                             |

(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**

**16 .1 Poplar Baths and Dame Colet House - Tender results report and recommendation (to follow)**

### **17. A PROSPEROUS COMMUNITY**

Nil items.

### **18. A SAFE AND COHESIVE COMMUNITY**

Nil items.

### **19. A HEALTHY AND SUPPORTIVE COMMUNITY**

Nil items.

### **20. ONE TOWER HAMLETS**

Nil items.

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

### **22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

## **SCRUTINY PROCESS**

The Overview and Scrutiny Committee, at its meeting on **Tuesday 5 February 2013** 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, 18 January 2013                      **(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**

This page is intentionally left blank



# Agenda Item 2

## **DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER**

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

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

### **Interests and Disclosable Pecuniary Interests (DPIs)**

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

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

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

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

### **Effect of a Disclosable Pecuniary Interest on participation at meetings**

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

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

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

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

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

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

**Further advice**

For further advice please contact:-

Isabella Freeman, Assistant Chief Executive (Legal Services), 020 7364 4801; or  
John Williams, Service Head, Democratic Services, 020 7364 4204

## APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

This page is intentionally left blank

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.35 P.M. ON WEDNESDAY, 5 DECEMBER 2012**

**COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE  
CRESCENT, LONDON, E14 2BG**

**Members Present:**

Mayor Lutfur Rahman	(Mayor)
Councillor Ohid Ahmed	(Deputy Mayor)
Councillor Rofique U Ahmed	(Cabinet Member for Regeneration)
Councillor Abdul Asad	(Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Shafiqul Haque	(Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	(Cabinet Member for Housing)
Councillor Oliur Rahman	(Cabinet Member for Children's Services)

**Other Councillors Present:**

Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Carlo Gibbs	
Councillor Amy Whitelock	
Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Gulam Robbani	

**Officers Present:**

Louise Russell	– (Service Head Corporate Strategy and Equalities, Chief Executive's)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families and Adult Health and Wellbeing)
Alison Thomas	– (Acting Joint Service Head, Strategy Innovation and Sustainability, Development & Renewal)
Jackie Odunoye	– (Head of Strategy, Innovation & Sustainability, Development & Renewal)
Stephen Halsey	– (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Chris Naylor	– (Corporate Director, Resources)
David Tolley	– (Service Head Community Service, Communities Localities & Culture)
Aman Dalvi	– (Corporate Director, Development & Renewal)
David Galpin	– (Head of Legal Services (Community), Legal Services, Chief Executive's)
Anne Canning	– (Service Head Learning & Achievement,

	Children's Services)
Ellie Kuper-Thomas	– (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Ross Archer	– (Political Adviser to the Conservative Group, Chief Executive's)
Numan Hussain	– (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
David Courcoux	– (Political Adviser to the Labour Group, Chief Executive's)
Martin Ling	– (Housing Policy Officer)

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Rania Khan (Cabinet Member for Culture)
- Councillor Shahed Ali (Cabinet Member for Environment)
- Isabella Freeman (Assistant Chief Executive (Legal Services))

**Noted.**

## 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

None were declared.

## 3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 7 November 2012 were presented for information.

## 4. PETITIONS

No petitions were received.

## 5. OVERVIEW & SCRUTINY COMMITTEE

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

Four pre-scrutiny questions in relation to Agenda Item 6.1 (Tenancy Strategy) were **tabled**. The **Mayor** thanked the Overview and Scrutiny Committee for the questions and noted those and the responses that officers had provided.

In addition, Councillor Ann Jackson, Chair of the Overview and Scrutiny Committee provided the Cabinet with an update on their meeting the previous evening. She reported on a number of issues that had been considered including that:

- The Committee had heard from the Borough Commander on his community safety priorities including on youth violence, anti-social behaviour, domestic violence and prostitution. They were also provided details on the police's action on crime hotspots.
- The Cabinet Member for Housing, Councillor Rabina Khan, updated the Committee on housing matters and the Cabinet Member for Resources, Councillor Alibor Choudhury, provided an update on budget and performance monitoring.
- The Scrutiny review on youth unemployment and the review into the accountability of housing providers had now begun work. A review of post-16 attainment and a review of the mainstream grants process would begin in the new year.

The **Mayor** thanked Councillor Ann Jackson for her update.

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

The Clerk advised that no requests had been received by the Assistant Chief Executive (Legal Services) to 'call-in' for further consideration, by the Overview and Scrutiny Committee, any provisional decisions taken by the Mayor in Cabinet, at the Cabinet meeting held on 7 November 2012.

## **6. A GREAT PLACE TO LIVE**

### **6.1 Tenancy Strategy**

Councillor Rabina Khan, Cabinet Member for Housing, introduced the report. She highlighted the requirement under the Localism Act to develop a new Tenancy Strategy and that the Council were looking to use this to help maintain strong local communities. She highlighted the extensive consultation exercises that had been undertaken including with Members and residents.

A discussion followed during which Members explored issues around how to encourage Housing Associations to keep lifetime tenancies for residents. Councillor Rabina Khan reported that she was meeting with Registered Social Landlords (RSLs) to emphasise to them the desire of the Council to keep lifetime tenancies.

The **Mayor** stated that he agreed with the concerns expressed and asked officers to look at strengthening the strategy as much as possible in this area and to emphasise to RLSs the Council's desire to maintain lifetime tenancies.

### **Resolved**

1. To approve the final tenancy strategy attached at appendix 1.

## 6.2 Olympic Impact Planning Review

Robin Beattie, Service Head Strategy and Resources, introduced the report. He explained that it contained an overview of the impact on the Council of the Olympics and the legacy improvements achieved. He highlighted the focus on maintaining a close relationship with the other host boroughs into the future and on looking at possible support for Small to Medium sized Enterprises (SMEs).

The Mayor welcomed the report and thanked Councillor Rania Khan and all the officers who had been involved. He stated that he agreed with the need to maintain links with the other host boroughs but would keep that under review to ensure its effectiveness.

### **Resolved**

1. To agree the Council should continue to participate in and support the Growth Borough (6 Host Borough) group to maintain a coordinated lobby group for investment in East London and continued focus on legacy and regeneration.
2. To agree the Council should review the promotion of Small and Medium sized businesses in the Borough with a view to improving it further
3. Note the outcomes of the Impact Planning process outlined in the report.

## 6.3 Saturation Policy - Brick Lane

The report was introduced by Councillor Ohid Ahmed, the Deputy Mayor. He thanked officers for their work on the policy. He stated that the Council shared the concerns expressed by the Borough Commander and had listened to the local community when formulating the policy.

In response to questions, officers confirmed that having a saturation policy was an important tool in helping to restrict licenses in that area.

The **Mayor** thanked all involved and accepted the recommendations in the report.

### **Resolved**

1. To consider and comment on the proposal for the area defined in the draft policy to become a "Cumulative Impact Zone"
2. To consider and comment on the draft policy.
3. To agree that consultation on the draft policy may commence.



## **7. A PROSPEROUS COMMUNITY**

### **7.1 Establishing a Local Health Watch**

The report was introduced by the Cabinet Member for Health and Wellbeing, Councillor Abdul Asad. He highlighted the consultation that had taken place including with the Shadow Health and Wellbeing Board.

Members discussed the extent to which local residents were engaged with particular reference to marginalised groups. Officers reported that they were aware of the issue and would be looking to make progress in this area.

The **Mayor** thanked all involved, stated that the Council would look to learn from experience and accepted the recommendations in the report.

#### **Resolved**

1. To agree to the establishment of Healthwatch Tower Hamlets and authorise the Assistant Chief Executive (Legal Services) to enter into contract with the preferred bidder which will be known as Healthwatch Tower Hamlets.
2. To agree that the Council enter into a pan-London Framework Agreement for the provision of NHS Independent Complaints Advocacy Service and authorise the Assistant Chief Executive (Legal Services) to enter into contract with the preferred bidder.

## **8. A SAFE AND COHESIVE COMMUNITY**

### **8.1 Reviewing the impact of the Children's Centres restructure - report of the scrutiny working group**

Councillor Amy Whitelock, the Lead Scrutiny Member for Children, Schools and Families introduced the report. She thanked the officers who took part for their full and frank engagement. She then highlighted the recommendations that had been produced.

She praised the efforts of staff at the Children's Centres for their good work and the efforts to protect front line services from the effects of cuts but did highlight those areas where there was evidence of problems.

In response Councillor Oliur Rahman, the Cabinet Member for Children's Services thanked Councillor Amy Whitelock and the other Scrutiny Members involved for their work. He reaffirmed the Administration's commitment to the Children's Centres and highlighted that all were still open despite the financial

pressures the Council was facing. He also gave reassurances as to his own commitment to monitor the service.

The **Mayor** added his thanks for the work done and confirmed his intention to note the report and reflect on the recommendations.

**Resolved**

1. To note the report.

**9. A HEALTHY AND SUPPORTIVE COMMUNITY**

**9.1 Food Law Enforcement Plan 2012/13**

Councillor Ohid Ahmed, the Deputy Mayor, introduced the report. He highlighted the excellent work done by officers in dealing with the over 2,500 premises in the borough and the improved inspection completion rate over previous years.

The **Mayor** accepted the report and agreed the recommendation.

**Resolved**

1. To approve the Tower Hamlets Food Law Enforcement Plan 2012/2013 and Food Sampling Policy attached at the Appendix of the report.

**10. ONE TOWER HAMLETS**

**10.1 In House Temporary Resourcing Report**

After introducing the report a number of Cabinet Members expressed their thanks for the work completed on the report and welcomed it as an important benefit to the local economy.

Following questions from Members, officers confirmed that the new processes would help to support the Mayor's goal of having a workforce that reflected the community.

The **Mayor** welcomed the report and accepted its recommendations.

**Resolved**

1. To agree the establishment of the In-House Temporary Worker Resourcing Service (ITRES) as described in this report .

2. To agree the establishment of the Council Resourcing Team to lead and manage this Service.
3. To note outline plans for cross-directorate working between Resources and Development & Renewal to further promote employment opportunities within the Borough for local residents.

## **10.2 Strategic Performance, General Fund Revenue Budget and Capital Programme 2012/13 Q2**

The Cabinet Member for Resources, Councillor Alibor Choudhury, introduced the report highlighting the improvement plan and the good news stories contained within it.

The **Mayor** accepted the report and agreed its recommendations.

### **Resolved**

1. To review and note the Quarter 2 2012/13 performance; and
2. To note the Council's financial position as detailed in sections 3 and 4 and Appendices 1-4 of this report.
3. To approve the transfer of £808,000 from the Olympic reserve set aside to fund additional expenditure as a result of the Olympics as set out at section 3.4 and 3.6 of this report.

## **11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

## **12. UNRESTRICTED REPORTS FOR INFORMATION**

### **12.1 Exercise of Corporate Directors' Discretions**

#### **Resolved**

1. To note the exercise of Corporate Directors' discretions as set out in Appendix 1.

### **12.2 Expressions of Thanks to the Corporate Director Resources**

The Mayor led all Members of the Cabinet in thanking Chris Naylor for his hard work on behalf of the Council. In particular, Members highlighted his efforts to manage the difficulties associated with the significant budget cuts that the Council was having to implement.

On behalf of the whole Administration the Mayor wished him all the best at his new role at the London Borough of Barnet.

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

#### **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 7 November 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
- (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 7 November 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

### **14. EXEMPT / CONFIDENTIAL MINUTES**

The Exempt/Confidential minutes (Cabinet 7 November 2012) were presented for information.

### **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 COHESIVE COMMUNITY**

Nil items.

**19. A HEALTHY AND SUPPORTIVE 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 6.35 p.m.

Chair, Mayor Lutfur Rahman  
Cabinet

This page is intentionally left blank

# Agenda Item 6.1

<b>Committee/Meeting:</b> <b>Cabinet</b>	<b>Date:</b> 9 <sup>th</sup> January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 58/123
<b>Report of:</b>  <b>Corporate Director:</b> Aman Dalvi  <b>Originating officer(s)</b> Jackie Odunoye - Service Head Housing, Strategy & Regeneration  <b>Authors:</b> John Kiwanuka Housing Partnerships Manager (LBTH) Ben Whiteside - Leasehold Manager (THH)		<b>Title:</b> Payment Support Options to Leaseholders for Repayment of Major Works Recharges.  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Cllr Rabina Khan
<b>Community Plan Theme</b>	One Tower Hamlets & Great Place to Live
<b>Strategic Priority</b>	Ensuring Value for Money Across the Council

## 1. SUMMARY

- 1.1 The Council has circa 9,000 leasehold properties managed by Tower Hamlets Homes (THH). During the 5 year period of the Decent Homes Programme, there will be urgent need for supporting leaseholders with DH and major works capital repayments. DH works consultations with leaseholders under section20 are in progress. It is vital s20 consultation procedures are adhered to, as failure to do so can severely limit the amount the Council can charge for DH/major works. It is envisaged that circa 7,375 leaseholders will be consulted, and invoices totalling over £42 million issued over the 5 year period.
- 1.2 The council offer leaseholders a number of options to spread the cost of large major works payments or service charges over a number of years. Offering deferred payment to every leaseholder means that much of the income from leaseholder re-charges is delayed for up to five years. Such an arrangement would adversely impact on the cash-flow available for the DH programme and therefore, presents a risk to delivering Decent Homes. Appendix 1 to this report shows the current options given to leaseholders.
- 1.3 MAB in November 2011 agreed in principal to the proposals presented by officers for the support and payment options to be accorded to leaseholders.
- 1.4 This report sets out the case to the Council for changing leasehold payment options to encourage leaseholders to settle charges quickly by offering early

payment discounts, reducing the interest rates for those leaseholders unable to make full settlement to reduce financial burden and to limit access to those leaseholders in need of such assistance. The report also considers removing access to the deferred payment options set out in the report from non-resident leaseholders. These changes are aimed at improving cash flows to support the decent Homes programme and protect the council's financial position by removing possible subsidy from leaseholders operating a business through sub-letting.

## **2. DECISIONS REQUIRED**

**The Mayor in Cabinet is recommended:**

- 2.1 To adopt the Payment options detailed at Appendix 1
- 2.2 To authorise the Corporate Director Development and Renewal in consultation with Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.

## **3. REASONS FOR THE DECISIONS**

- 3.1 Offering a discount for early payment encourages leaseholders, where possible to settle their charges quickly. Non- resident and resident leaseholders will be given an opportunity to benefit from the discount for a timely payment. It is envisaged that this approach will lead to improved cash-flows and lower recovery costs. This outcome is particularly important as it would reduce the risk of a funding shortfall for the Decent Homes programme which is partly dependant on income from leaseholders.
- 3.2 The current policy, offers interest-free periods to all non-resident leaseholders, exposes the council to a potential risk of losing up to £7.9 million as evidenced in the financial impact assessment [Appendix 2](#). Restricting interest-free periods to those who need them mitigates the risk. The restriction is equitable and justifiable as the converse would amount to subsidising leaseholders' businesses.
- 3.3 Interest-free payments can legitimately be offered to resident leaseholders to assist in collecting the charges in the shortest time possible from leaseholders where they are unable to pay the full cost quickly. This can be done in the interest of the Council and the tax payers generally under the general power of competence to minimise the risk of debt recovery and possible write-off.
- 3.4 The current interest rate for extended payment options longer than the initial 3 years is 8.895%. The 8.895% interest was based on the cost to the council of borrowing several years ago which has changed significantly. The proposed new rate of 5.34% is 0.5% above the current cost of borrowing, the 0.5% designed to cover the management of the debt during the repayment period.



Offering this rate of interest will be cost neutral to the Council but will assist those leaseholders facing financial difficulties.

#### **4. ALTERNATIVE OPTIONS**

- 4.1 **No early payment discount** – Not offering this option may result in income being received over a longer period with a consequence of increasing the likelihood for bad debt, and damaging relationship between Council & leaseholders, particularly through debt management and recovery actions. The early payment discounts are intended to help raise the much needed income quickly to fund the decent homes programme. This also offers non-resident leaseholders a financial incentive to pay the charges without delay.
- 4.2 **Continuing to offer every leaseholder deferred payment** - This option would put the council in the position where it was effectively subsidising businesses from the public purse which shouldn't be the case..
- 4.3 **Offering repayment terms over more than five years** – some Registered Providers offer loans in the form of a mortgage secured on the property. However, adopting this option would result in the council having a mortgage portfolio to manage, a position it is currently trying to run down. The option also has the effect of the Council building long term indebtedness to leaseholders especially as further works may well be undertaken before the loan for the decent homes works is repaid.
- 4.4 **Longer repayment periods** - Extending repayment over long periods whilst may be seen as being beneficial to leaseholders the converse may be true. Particularly, as it is likely that over a 10 year repayment period the landlord will have to undertake further work either through additional repairs or planned maintenance programmes which will result in further bills for the leaseholder. Effectively, this approach will have the implication of building indebtedness rather than assisting leaseholders in the long run.
- 4.5 **Provision of discretionary loans** – Some Local Authorities (LAs) and other Registered Providers (RPs) offer long term loans through mortgages at local authority mortgage rates and subject to equity in the property. However, this option would be challenging to adopt because to act as a lender on such a scale, the Council would have to fund the loans from its capital resources. The resultant mortgage portfolio would also need managing with future resource implications for managing such a service. Consequently, the Council would need to exercise extreme care not to contravene the Financial Services Authority regulations on financial advice and may have to apply for a Consumer Credit Licence.

#### **5 BACKGROUND**

- 5.1 The Mayor's Advisory Board (MAB) agreed in principle a raft of payment options for leaseholders proposed by officers including measure that distinguished between resident and non-resident leaseholders. MAB asked

officers to be mindful of leaseholders who let out their properties for personal reasons other than profit, and adopt criteria that avoided treating this group inequitably.

- 5.2 Following MAB a financial impact assessment on the proposed payment options was conducted. The financial impact assessment showed that the amounts involved in the payment options relating to non-resident leaseholders were financially significant to leaseholders and the Council – as shown in Appendix 2
- 5.3 The council currently offers leaseholders a number of options to spread the cost of large major works charges over a number of years. The current set of payment options were confirmed in the Leasehold Policy Review agreed by Cabinet in February 2011.
- 5.4 Among the payment options currently accorded to leaseholders include deferred payments. Deferred payments help leaseholders who would find it difficult to pay large repair bills. It is important to note that, although the Council endeavour to help leaseholders who have difficulty paying large bills, it should only be seen as the lender of last resort. Therefore deferred payment options should not be accorded to leaseholders who can reasonably access finance from the private market.
- 5.5 Deferred payment options effectively subsidise those leaseholders who are in the business of letting their properties. Furthermore, the approach results in income from leasehold major works re-charge being delayed for up to five years. These delayed payments negatively impact on cash-flows and potentially are a risk to delivering Decent Homes programme, particularly as re-payment for these works re-charges are programmed to be clawed-back into the programme.
- 5.6 However, the Council's ability to recharge major works capital expenditure to leaseholders is constrained if it does not consult with leaseholders as prescribed by law. Accordingly, it is vital for the Council and THH, to conduct leaseholder consultation in line with S.20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Common hold and Leasehold Reform Act 2002). The Council is obliged to consult leaseholders where it is:
  - § Carrying out work which will cost any one leaseholder more than £250. This includes repairs, maintenance and improvements to their building and estate.
  - § Entering into a long-term agreement (for more than 12 months) with outside contractors for work, supplies or services which will cost any one leaseholder more than £100 a year. Examples include cleaning, grounds maintenance and surveying.
  - § Carrying out work under a long-term agreement where the work will cost any one leaseholder more than £250.
- 5.7 Section 20 consultation procedures generally involve 3 stages, these are:

- § **Stage 1:** the Notice of Intention. A notice setting out what works are proposed, why they need doing, inviting comments from lessees, and in some instances inviting nominations of contractors from lessees.
- § **Stage 2:** the Statement of Estimates. Once estimates for the works are obtained a notice to all lessees about the costs, how to inspect the estimates and inviting any comments.
- § **Stage 3:** the Notice of Reasons. Once the contract is awarded this notice must be sent if the landlord does not choose the cheapest estimate or a contractor nominated by lessees. It must explain why the landlord chose that particular estimate.

5.8 Furthermore, in specific cases the council can apply to the Leasehold Valuation Tribunal (LVT) for 'dispensation'. If the LVT gave the Council dispensation, it would not have to follow regulations for s.20 consultations fully. For the LVT to do this the Council would have to satisfy the LVT that it had taken all reasonable steps to make leaseholders aware of their plans and that the situation was an emergency.

## **6. SUPPORT PAYMENT OPTIONS FOR LEASEHOLDERS**

6.1 **Early Payment Discount** - a recommendation is being made for an early payment discount of 5% of the value of the major works invoice for leaseholders who pay in full within 28 days of the date of the invoice. This level of discount is offered by a number of RPs including LAs, and it is seen as good practice. Respective landlords have found that such level of discount resulted in circa 20% to 40% of leaseholders paying the full cost immediately. The 5% discount offers a better option than taking one year interest free, currently allowed under the terms of the lease. It is hoped that the offer, which is available to all leaseholders, will act as an incentive to those leaseholders whose financial situation allows them to pay immediately.

### **6.2 Extended Interest Free Periods –**

6.2.1 The approach is underpinned by the Council's general power of competence. It is envisaged the proposal will not only improve income by allowing interest-free payments but also accord assistance to leaseholders in an equitable manner. It is common practice for RPs to offer interest free repayment period of up to three years. The recommendation restricts interest free support for the second and third years to resident leaseholders only. The first year is interest free for all leaseholders as implied in the lease terms.

6.2.2 Nevertheless, it is recognised that some leaseholders may be sub-letting their properties for personal or family reasons. Therefore, officers recommend having discretion to consider a non-resident leaseholder access to the longer interest free and longer repayment options in the following circumstances:

- § Providing care to a family member and requiring them to reside with that family member.
- § Working away from the locality.
- § Relationship breakdown or fleeing domestic violence.

§ Financial difficulty and letting out the property to pay a mortgage (evidenced by an IVA or a mortgage statement showing arrears)

- 6.2.3 The existing interest rate for extended payment options longer than the initial 3 years is currently 8.895%. This was based on the cost to the council of borrowing several years ago which has now changed significantly. The proposed new rate of 5.34% is 0.5% above the current cost of borrowing, the 0.5% being to cover the management of the debt during the repayment period. Offering this rate of interest will be cost neutral to the Council but will assist those leaseholders facing financial difficulties.
- 6.2.4 Extended payment arrangements will be subject to an agreed payment plan. If a payment is missed then the arrangement will become void and the remaining unpaid balance will become due. To qualify for extended payment arrangements, the leaseholder must have paid their annual service charges up to date.
- 6.3 **Applying an affordability test to loans, interest free periods and voluntary charges** -This is aimed at ensuring that the Council is not regarded as the first point of call for low cost financing of DH / major works re-charges. Although the Council can be a lender of last resort, leaseholders will be required show evidence that they have not been able to obtain reasonably priced loans elsewhere, to access interest free or deferred payment options of more than one year. A means test will require leaseholders to evidence refusal for a loan from two mainstream lenders for the amount of the DH/major works recharge and complete a financial statement with officers in house.
- 6.4 **Voluntary Charge to a Property:** In exceptional circumstances an original RTB leaseholder, over 60 or receiving full benefit can apply for a voluntary charge that places a debt on his/her property equal to the invoice value plus a charge at 0.5% above Council borrowing (currently at 5.34%) until redemption. To qualify for this option, the leaseholder will need to demonstrate that he has no access to a Bank or Building Society loan; cannot use any other payment options; and must have sufficient equity in the property to apply to place a charge against the property until it is sold or assigned.
- 6.5 **Discretionary capping of service charges:** The Social Landlords (England) Discretionary Reduction in Service Charges Directions 1997 allows local authorities to reduce service charges to a maximum of £10,000 over 5 years. The policy is subject to a number of factors to which the council must pay regard including the lessee being the original RTB leaseholder; and living at property. No reduction based on exceptional hardship can be entertained unless the individual lessee specifically applies to have it considered.
- 6.5.1 Consequently, if a leaseholder decides to be considered for a reduction based on exceptional hardship, the council will have to take account of the following factors set out below.
- Whether it is the lessee's only or principal home,
  - the total service charge paid since purchase,
  - the service charge payable in the current year,

- the lessee's financial resources,
- ability to raise funds,
- whether extending the repayment period would assist, and
- any other relevant circumstances.
- grant a charge on property so that capped amount is repaid if the property is sold within 7 years.

6.5.2 It is extremely difficult to estimate how many leaseholders may be eligible for this discretionary reduction as it is not yet known how much will be spent in individual blocks or how many individual leaseholders in those blocks may benefit from this policy. Previous eligibility levels on major capital work schemes under this policy resulted in a reduction of around 5.7% of the total billed at that time.

6.5.3 On the basis of larger bills for future decent homes works if this policy resulted in 10% of the amount chargeable to resident leaseholders being subject to the discretionary capping the reduction in income to LBTH would be approximately £2m.

## 6.6 Council Statutory Loans

6.6.1 Statutory loans can be accessed by all leaseholders whose flats were purchased (by themselves or their predecessors) under right to buy, and are within the first ten years of their lease. The "loan" is limited to works for repairs and improvements where the charge to the leaseholder exceeds £2,250 up to a maximum of £30,000. The minimum loan is £750 and an administration charge to a maximum of £100 can be charged. The aggregate loan outstanding to any leaseholder is £30,000.

6.6.2 The loan is subject to interest at the local authority mortgage rate (fixed by the Secretary of State). The loan is secured on the property by way of a mortgage (though sufficient equity need not be demonstrated). These interest rates are always higher than mortgage rates in the market place meaning that the take-up of this option is low.

## 7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

7.1 This report recommends that Cabinet adopt a number of payment options for the recovery of major works charges from leaseholders, as detailed in Appendix 1.

7.2 As highlighted to Cabinet in the 'Decent Homes Funding Gap Options' report in September 2011, due to the high numbers of leaseholders within the Authority, a significant element of the future HRA capital programme will be rechargeable to leaseholders, primarily through proposed additional external or communal area works undertaken to blocks, as well as necessary works within the non-Decent Homes element of the programme. Major works recovery from leaseholders is a key assumption within the thirty year HRA financial model.

- 7.3 The September 2011 report also highlighted the importance of all major works costs being recharged in accordance with the terms of the lease, and the fact that the Council has a legal duty to fully recover costs incurred, and to avoid the eventuality that tenants are subsidising leaseholders. Failure to achieve this will present a significant risk to the ultimate resourcing of the programme.
- 7.4 It is important to highlight that the Council's forward funding of works accruing to leaseholders presents a risk, and that any failure to collect major works could lead to the Council being left with a major unfunded liability.
- 7.5 This report outlines a new option available to leaseholders as well as amendments to existing policies. In terms of the specific initiatives proposed these are outlined and assessed below. The table in Appendix 2 shows the cost implications at net present value of each financing option.
- 7.6 It is not possible to accurately assess the cost impact of the proposed recovery options, however they should lead to an improved recovery rate and hence an improved cashflow position for the Authority.

## 7.7 **New Policy**

### 7.7.1 **Early Payment Discount**

This is the main addition to the leasehold major works repayment options that are currently in operation. It is proposed that a 5% discount will be granted to leaseholders who pay major works invoices within 28 days, the intention being to improve the Authority's cashflow position.

The analysis in Appendix 2 shows that offering a 5% prompt payment discount compares favourably with the net present value of the alternative interest free options over a two or three year period, which it is assumed will be the most popular repayment options.

While the Authority will be offering a reduction in charges, this loss must be balanced against the benefit of receiving payments earlier than would otherwise be the case. The costs of any discounts offered will be met from within the HRA capital programme. The offering of these discounts is affordable within the modelling that has been undertaken on the Council's thirty year HRA business plan.

## 7.8 **Amended Policy**

### 7.8.1 **Extended Interest-Free Payment Options**

Under the current policy all leaseholders are able to apply for interest free payment arrangements for up to 2 years on charges exceeding £1,000, and a discretionary loan of 3 years can be made available for invoices that exceed £6,000.

It is proposed that leaseholders who qualify for extended interest free payment options will be able to arrange interest free payments over 2 years for bills over £1,000, and over 3 years for bills over £6,000.

An affordability test will be applied to the loans to ensure that the Council is the “lender of last resort” rather than a first point of call to finance the loan (paragraph 6.3).

The net present value of these options is shown in Appendix 2, with assumptions of a net present value loss to the Authority of 7.0% on a two year interest free loan and 9.2% on a three year loan, compared to the full current charge. This is based on an inflation rate of 3.83%.

7.8.2 The following options incorporate an interest element:

- Statutory Loans  
A fixed repayment term is offered based on the Council’s set interest rate, with the loan being secured on the property. This option is generally not a popular option because the alternatives offered by the Council are financially more attractive.
- Extended Payment Option  
A thirty-six month interest free period followed by a two year repayment schedule based on the Council rate.
- Voluntary Charge on Property  
A charge is placed on the property, with interest accruing at the Council rate until redeemed.

All the above options include an interest charge based on the prevalent rate set by the Council. It is proposed to reduce the current interest rate from 8.895% to 5.34% for payment options longer than 3 years to reflect the fact that the Council’s internal borrowing costs, on which the interest rate is based, are lower than when the rate was originally set. The rate charged will be reviewed annually and will reflect current market conditions that are in effect at the time.

## 7.9 **Existing Policy**

### 7.9.1 Discretionary capping of service charges

Discretionary capping of major works charges to a maximum of £10,000 is available in accordance with Council policy and is offered to leaseholders strictly in accordance with the conditions laid out in paragraphs 6.5.

7.10 Some of the options outlined above require a charge to be secured on the leasehold property to ensure that the Council’s interest is protected in the event of a default on the loan agreement. It is essential that all appropriate charges are secured to enable the Council to ultimately recover all charges due to it.

- 7.11 It is essential that the Authority continues to implement all policies to ensure that both service charges and major works are appropriately recovered from leaseholders.

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

- 8.1 Section 1 of the Localism Act 2011 provides a general power of competence for local authorities and replaces the “well being” powers from the Local Government Act 2000. It gives local authorities the same power to act that an individual generally has and provides that the power may be used in innovative ways. The only restriction is that there must be no statutory prohibition against the proposed action. There is no such prohibition on discounts for early payment.
- 8.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.
- 8.3 Offering the payment options detailed in Appendix 1 including the discount for early payment of sums due to the Council can be seen as an efficiency measure as the Council will not have to expend resources in chasing late payments

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 This report sets out the case to the Council for changing leasehold payment options to (i) encourage leaseholders to settle charges quickly by offering early payment discounts,(ii) reducing the interest rates for those leaseholders unable to make full settlement quickly to reduce the financial burden and (iii) to limit access to those leaseholders in need of such assistance. The extent to which this can be achieved and DH programme targets reached will have a direct bearing on helping to achieve the Council's objectives in regard to tackling some of the inequalities and poverty effects in the borough.
- 9.2 The objective is that not only will the relevant leasehold properties have the much needed capital works carried on their homes, but also leaseholders will be supported with a raft of measures to lessen the burden of the resultant costs. The raft of support options in this report predominantly have leaseholders who are resident occupiers in mind, but non-resident leaseholders will also have access to the longer interest free and longer repayment options in the following circumstances:
- § Providing care to a family member and requiring them to reside with that family member.
  - § Working away from the locality.



- § Relationship breakdown or fleeing domestic violence.
- § Financial difficulty and letting out the property to pay a mortgage (evidenced by an IVA or a mortgage statement showing arrears)

9.3 Conversely, there are potential implications for Muslim leaseholders who own two or more properties, who may wish to secure Shariah-compliant finance options. A recently concluded EqlA highlighted the need to work with community partners and professional bodies to investigate whether Shariah-compliant repayment options are possible within the current statutory framework. Officers plan to open discussions with the London Muslim Centre, Islamic Bank of Britain and LBTH finance to explore ways that the Council could offer deferred payment options that are Sharia compliant.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

10.1 The DH Programme contains specific provision to improve the energy efficiency of the Council's own stock. For example, a significant proportion of the DH 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.

## **11. RISK MANAGEMENT IMPLICATIONS**

11.1 The Decent Homes Backlog funding is year specific, with resources only being available for years three and four if the Authority successfully delivers the year one and two outcomes in accordance with the Government specified requirements. Flexibility has therefore been built into this element of the programme to enable adaptations to be made if necessary to ensure targets are met.

11.2 There is a risk arising from the Council being required to forward fund leaseholders' DH capital works. The options recommended to Cabinet for approval offer the best opportunity to ensure that income is received quickly and with the minimum effort in terms of debt recovery action. The main risk to the council is that the income is received too slowly to top up the budget to complete the Decent Homes programme and the cost of debt recovery action escalating if reasonable terms are not available to resident leaseholders. The restriction of some of the support to resident leaseholders also limits the risk to the council of challenge by local council tax payers who may feel they are subsidising council leaseholders operating businesses.

11.3 It is vital that S20 consultations are conducted in line with the prescribed procedure, ensuring that stages 1-3 are fully concluded in a proper manner. S20 severely limits the amount a landlord can charge for major works if the right consultation procedure is not followed.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1 Crime and Disorder reduction implications on the DH Backlog Investment Programme is limited; 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.

## **13. EFFICIENCY STATEMENT**

- 13.1 The proposals contained in this report are made to ensure the council can maximise its resources, minimise costs on recovery action and offer leaseholders suffering financial hardship reasonable opportunity to fulfil their obligations under the terms of their lease.

## **14. APPENDICES**

Appendix 1  
Appendix 2

---

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

List of "Background Papers" used in the preparation of this report

-S.20 of the Landlord and Tenant Act 1985  
(amended by section 151 of the Common  
hold and Leasehold Reform Act 2002)  
-S.1 of the Localism Act 2011

John Kiwanuka  
Development & Renewal  
Extension 2616

Ben Whiteside  
Tower Hamlets Homes  
Extension 7328

## Appendix 1

### Recommended payment options:

1. **Offering both resident and non- resident leaseholders a discount of 5% for prompt payment for major works invoices over £2,000 where payment is made in full within 28 days of the date of the invoice.**
2. **Extended interest free payments to resident and non- resident leaseholders as detailed in 2a and 2b below:**
  - 2a. Subject to means testing Interest free payments for all resident leaseholders for up to 24 months for invoices over £1000, and 36 months is offered at discretion on invoices of over £6,000.
  - 2b. Subject to means testing Interest free payments for all non-resident leaseholders for up to 24 months for invoices over £1000, and 36 months is offered at discretion on invoices of over £6,000 where the leaseholder can show exceptional circumstances, for example:-
    - a. Providing care to a family member and requiring them to reside with that family member.
    - b. Working away from the locality.
    - c. Relationship breakdown or fleeing domestic violence.
    - d. Financial difficulty
3. **Extended interest charging payments:** Subject to qualifying for 2 above, both resident and non-resident leaseholders who have successfully secured the 24 or 36 interest free extended payments will be eligible for a further 3 and 2 years respectively, of interest charging extended payment at Council's rate (Current Interest rate 5.34%).
4. **Voluntary charge on property.** In exceptional circumstances an original RTB leaseholder, over 60 or receiving full benefit can apply for a voluntary charge that places a debt on his/her property equal to the invoice value plus a charge at 0.5% above Council borrowing (currently at 5.34%) until redeemed.
5. **Discretionary capping of invoice to £10,000.** Criteria were confirmed in the Leasehold Policy Review agreed by Cabinet in February 2011 – re: clause 6.7 of the report.
6. **Statutory Council loans.** Statutory loans can be accessed by all leaseholders whose flats were purchased (by themselves or their predecessors) under right to buy, and are within the first ten years of their lease. Currently, the take up for these loans and their exposure to the Council is negligible – re clause 6.8 of the report.

This page is intentionally left blank

## Non-Resident Leaseholders

### Appendix 2

	0	1	2	3	4	5	NPV	Cost £	No of props	Total cost to TH £
5% prompt payment discount	19,000						19,000	1,000	3,764	3,764,000
One year interest free		19,048					19,048	952	3,764	3,583,328
Two years interest free		9,524	9,070				18,594	1,406	3,764	5,292,184
Three years interest free		6,349	6,047	5,759			18,155	1,845	3,764	6,944,580
Year four		4,762	4,535	4,319	4,479		18,095	1,905	3,764	7,170,420
Year five		3,810	3,628	3,455	3,583	3,431	17,889	2,111	3,764	7,945,804

Notes:

1. This table show the impact on TH income of allowing all non-resident leaseholders access to the options for one property.
2. The costs assume all leaseholders take the same option (unlikely but Three years interest free most likely).

This page is intentionally left blank

# Agenda Item 6.2

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 59/123
<b>Report of:</b>  Corporate Director <b>Aman Dalvi</b>  <b>Originating officer(s)</b> <b>Jackie Odunoye</b> <b>Service Head Housing Strategy</b> <b>Regeneration and Sustainability</b>  Authors: John Kiwanuka Housing Partnerships Manager James Mack – DH Procurement Project Manager (THH)		<b>Title:</b>  Procurement of Consultants and Contractors for the 2014/15, 2015/16 & 2016/17 Decent Homes Programme in  <b>Wards Affected: All</b>	

<b>Lead Member</b>	Cllr: Rabina Khan
<b>Community Plan Theme</b>	One Tower Hamlets & A Great Place to Live
<b>Strategic Priority</b>	Ensuring Value for Money Across the Council

## 1. SUMMARY

- 1.1 Following the successful bid for £94.5m from the GLA's Decent Homes (DH) backlog fund in 2010, the Council embarked on the procurement and delivery of the DH programme. The £94.5m secured still left a shortfall of £39.4m because the Council's DH backlog bid was £133.9m. In September 2011 Cabinet agreed to fund the £39.4m deficit, and the £15.6m for DH works for non-tenanted homes. At the time, only GLA funding allocated for 2011/12 & 13 was guaranteed. The GLA have now confirmed allocated funding of £25m and £46m for 2013/14 and 2014/15 respectively.
- 1.2 The 2010/11 and 2011/12 DH programme encompassing only internal works. This strategy entailed avoiding early lengthy consultations with leaseholders and allowed quick mobilisation and delivery. Additionally, the approach was vital in ensuring the GLA's annual output and expenditure targets, conditional to securing the further two years backlog funding, were met.
- 1.3 Consequently, Cabinet in June 2011 agreed to a mini tendering exercise utilising an existing framework as a means to deliver the DH works for 2011/12 & 13. Cabinet also agreed, for the longer term planning, to secure an

OJEU procured and leasehold compliant framework to deliver the capital investment need in the future.

- 1.4 At the beginning of 2012/13, the Council in partnership with THH commenced procuring an OJEU and leasehold compliant framework. This process involved notifying leaseholders and inviting expression of interest from contractors and consultants. To accord opportunities to small and medium enterprises, particularly those local to the Borough, Consultant and Contractor work Lots were grouped in two Lots. Lot 1 for smaller consultants and contractors, and Lot 2 for the bigger Consultants and Contractors. A total of 90 Pre-Qualification Questionnaires (PQQ) from contractors and consultants were received and evaluated. Following a comprehensive evaluation exercise, 13 major Contractors and 13 consultants, and 7 small contractors and 7 consultants were invited to tender.
- 1.5 Tenders were invited from both contractor and consultants for managing and delivering the 2013/14-16 programme on a 60% price, and 40% quality criteria. The quality criterion used a model template developed by LBTH Corporate Procurement, Legal Services and THH and included provision for apprenticeships and stimulating the local economy. The evaluation of the PQQ and the tender documents were collaboratively conducted by officers from THH and LBTH and the procurement process included a Bidders Challenge, where the contractors presented themselves to a resident's panel of leaseholders and tenants.
- 1.6 The returned tenders for the DH works are within the anticipated budgets reported to members, and the resources in the HRA Business Plan earmarked for the DH and other capital works programme during the period.
- 1.7 Following conclusion of the tender evaluation process six consultant firms namely Mace Group, John Rowan & Partners LLP, Pellings LLP, Frankham Consultancy Group LTD, Bailey Garner LLP, and Potter Raper Partnerships were recommended for inclusion on the framework, with the first three in the list being recommended for the DH works in 2013/14. Three contractors namely Apollo Property Services Group Ltd, Axis Europe PLC and Breyer Group PLC have been recommended for Lot 2, similarly Chigwell (Shepherds Bush) LTD and RR Richardson LTD for the Lot1. This report informs Cabinet of the tender evaluation process and the results for the Consultants and Contractors for the 2013-16 DH programme.
- 1.8 These recommendations are subject to consultation with leaseholders and the statutory Section 20 notices have been sent out. The appointment of the successful contractors will not take place until the views expressed in the consultation exercise have been given due consideration.



## **2. DECISIONS REQUIRED**

The Mayor in Cabinet is recommended:

- 2.1 To authorise the Mayor to award the DH works contracts to the contractors and consultants listed in 2.1.1 – 2.1.3 once the results of the leaseholder consultation have been considered,
  - 2.1.1 **Lot 1 Contractors** (Internal Works only)
    - Chigwell (Shepherds Bush) Ltd
    - RR Richardson LTD
  - 2.1.2 **Lot 2 Contractors** (Internal and External Works)
    - Apollo Property Services Group LTD
    - Axis Europe PLC and
    - Breyer Group PLC
  - 2.1.3 **Lot 2 Consultants** (Internal and External Works) Framework of 6 consultants with the first 3 administering the 2013/14 DH works programme annual mini competition thereafter:
    - Mace Group
    - John Rowan and Partners LLP
    - Pellings LLP
    - Frankham Consultancy Group Limited
    - Bailey Garner LLP
    - Potter Raper Partnerships
- 2.2 To authorise the Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.
- 2.3 To adopt an initial capital estimate of £71 million in respect of the 2013/14 and 2014/15 DH Programme, profiled as 2013/14: £25million and 2014/15: £46 million, in order to enter into the contracts. The details of the programme of works will be subject to a separate report.

## **3. REASONS FOR THE DECISIONS**

- 3.1 Cabinet in June 2011 agreed, for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future.
- 3.2 In July 2012 the Council entered into contract with the GLA for the DH Backlog funding. Under the Agreement the Council is contracted to deliver pre-agreed annual targets of DH in order to access the DH Backlog funding. The DH Contractor and Consultant procurement is critical to delivering the DH targets and securing the GLA funding. Therefore, it is vital that contractors are appointed to allow adequate time for procured resources to be in and mobilise for a start on site at the beginning of the next Financial Year.

- 3.3 Additionally, the Council aims to ensure that its localism agenda is enshrined in its contracting processes by according apprenticeships and utilising local contractors and labour with view to stimulate the local economy. The OJEU procured Contractors have offered to contractually agree to deliver a raft of local benefits including apprenticeships, local labour and use local contractors, which will help stimulate the local economy, and allow local people to acquire relevant skills to enter employment.

#### **4. ALTERNATIVE OPTIONS**

- 4.1 Cabinet in June and September 2011 considered and agreed the method of procuring capital investment for the delivery of the DH Programme in 2013-16. It was agreed by Cabinet that for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future. The procurement method and process adopted including the results of the procurement exercise detailed within this report are an implementation of the fore mentioned Cabinet decisions.

#### **5. BACKGROUND**

- 5.1 Subsequent to the successful bid for £94.5m of the GLA's Decent Homes (DH) backlog funding in 2011, the Council embarked on the procurement and delivery of the DH programme. The £94.5m still left a shortfall of £39.4m because the Council's DH backlog bid was £133.9m. In September 2011 Cabinet agreed to fund the £39.4m deficit, and the £15.6m for DH works for non-tenanted homes. At the time, only GLA funding allocated for 2011/12 & 13 was guaranteed. The GLA have now confirmed the allocated funding £25m and £46m for 2013/14 and 2014/15 respectively.
- 5.2 Officers embarked on the securing of OJEU procured and leasehold compliant contracts at the beginning of 2012/13- the method and process adopted including the results of the procurement exercise are detailed within this report and are an implementation of the Cabinet decisions in June 2011. The OJEU procured Contractors have agreed to be contractually bound to deliver a raft of local benefits including apprenticeships, local labour and local contractors, which will inevitably help stimulate the local economy, and allow local people to acquire relevant skills to put a foot into the labour market.

#### **6. BODY OF REPORT**

- 6.1 In June 2011 Cabinet agreed, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future.
- 6.2 Tenders have been sought from contractors and consultants to deliver, manage and administer the years 3 4 and 5 decent homes works programme. The Procurement was completed in accordance with statutory regulations and included a rigorous tender evaluation process.

- 6.3 This report informs Cabinet of the tender evaluation process and results for contractors and consultants and seeks authorisation for the Mayor to award contracts, subject to satisfactory leaseholder consultation. The report also includes details of community related benefits offered by the proposed contractors attached as Appendix A.
- 6.4 In support of the “Stimulating the Local Economy” objective community benefit targets were set within tender documentation and the tender packages were split into Lots in order to offer the opportunity for smaller local suppliers to deliver aspects of the works programme i.e. internal works, kitchens and bathrooms. Noted below are details of the respective Lots:
- a. Contractors Lot 1 – Two small contractors delivering internal works only e.g. kitchen and bathrooms and awarded works up to £2m each per annum for years 3 4 and 5.
  - b. Contractors Lot 2 – Three contractors delivering external and internal works and awarded a works value of between £10m and £20m each per annum, for years 3 4 and 5.
  - c. Consultants Lot 1 – A framework of 4 small consultants managing, supervising and inspecting works completed by Lot 1 contractors with the best 2 combined price / quality scores appointed to manage the year 3 programme with annual mini competition taking place thereafter.
  - d. Consultants Lot 2 – A framework of 6 consultants managing, supervising and inspecting works completed by Lot 2 contractors, with the 3 best combined price / quality scores appointed to manage the year 3 programme with annual mini competition taking place thereafter.
- 6.5 **Tenders were invited on a price / quality basis 60% price and 40% quality:** The evaluation criteria were developed by LBTH Corporate Procurement, Legal Services and THH and included provision for stimulating the local economy. Evaluation was carried out by LBTH and THH staff and included a Bidders Challenge, where the contractors presented themselves to a residents’ panel including leaseholders. Residents involved in the bidders challenge were briefed in relation to the process and given an opportunity to contribute and develop the scoring criteria but did not formally evaluate the bids.
- 6.6 **Tender Evaluation:** There was a robust tender evaluation process that involved officers from both LBTH and THH and a number of clarification requests were made by officers and received from the tenderers. Those evaluations were submitted to a validation panel consisting of senior officers from both LBTH and THH. The remit of the panel was to review the summary of evaluation results and process / rationale adopted and to ensure there were no ambiguities. They then validated the scoring in the selection of the final Contractor/s and Consultant/s proposed for appointment.
- 6.6.1 Furthermore as part of the evaluation process the Council’s Competition Board have considered the proposals, emphasis was placed on areas of

works to be recharged to leaseholders to ensure that the procurement complies with the statutory consultation process and the costs of the works to leasehold properties can be recovered .

**6.7.1 Evaluation Contractors Lot 1 and 2: As noted above in 6.5 tenders were invited on a price / quality basis.**

6.7.1.1 The quality criteria consisted of:

- § Delivery team and management structure and processes - 8%
- § Programme and Sequencing - 6%
- § Added Value - 2%
- § Sustainability - 5%
- § Customer Service and Quality Control - 6%
- § Stimulating the Local Economy - 5%
- § Bidders Challenge - 8% (Including ability to deal with diversity)

**6.7.2 The Pricing Model** - Officers agreed a virtual price evaluation model that is also based upon survey information obtained from a selection of arch-type properties on which decent homes works will be completed during the contract period. The price evaluation model consisted of three elements to ensure selection of suppliers is based on a holistic approach and prevents unexpected costs as the scheme is delivered. The three elements were:

- § Evaluation of a virtual Lot to enable us to consider individual rates for the key spend area (as identified from recent surveys and definition of archi-types) with estimated quantities per annum of spend
- § Review of Prelims to ensure the management element has been structured to deliver the quality and programme targets along with the CSR that this contract is perfectly placed to support
- § Consider a selection of rates and delivery variances to ensure we have a flexible contract that can deliver value for money across different levels of spend and that allows us to add in un-scoped works or transference of works between areas.

**6.8 Evaluation Consultants Lot 1 and 2**

6.8.1 As noted above in 6.5 tenders were invited on a price / quality basis. The quality criteria consisted of:

- § Project Team and Management structure - 12%
- § Customer Service / Quality Control, Programme and Project Management Processes - 9%
- § Added Value – 3%
- § Sustainability – 2%
- § Stimulating the Local Economy – 5%
- § Diversity – 3%

§ Consultants Challenge / Interview – 6%

6.8.2 The pricing model required consultants to submit percentage fee values for providing multi-disciplinary services across pre-determined value bands along with percentage fees for specific professional disciplines and daily rates for varying levels of technical officers.

## 6.9 **Proposals for award of contracts to Contractors Lot 2**

6.9.1 Thirteen contractors were invited to tender and 13 tenders were received. A rigorous tender evaluation process was conducted on the Price / Quality and quality elements of the bids .The proposal subject to the satisfactory outcome of Leaseholder consultation is to appoint the 3 contractors with the highest combined price / quality scores. These are:

- § Apollo Property Services Group Ltd,
- § Axis Europe PLC
- § Breyer Group PLC

6.9.2 As part of the tendering process contractors were required to offer community benefits arising from the works. Details of benefits offered by the 3 proposed Lot 1 and 2 contractors are attached as Appendix A; the headlines from their offers include the following and are based upon a works value of £117m:

- § **240** Apprentices effectively 2 per £1m of work (including subcontractors)
- § **279** Adult work experience for local residents to assist progression into employment schemes who have been unemployed for **less than 6 months**.
- § **282** Adult work experience for local residents to assist progression into employment schemes who have been unemployed for **more than 6 months**.
- § **27** Development opportunities for small suppliers by meet the buyer events
- § **Commitment for 20%** contracts to be commissioned to businesses registered in LBTH
- § **Commitment for 50%** contracts to be commissioned to businesses in East London
- § **24 events** to assist small local businesses in bidding
- § **72** -Work placements local schools and colleges
- § **60 events** - DIY training sessions local residents
- § **33** -Offers to work with community organisations including charity donations.

6.10 **Proposals for award of contracts to Contractors Lot 1:** Seven contractors were invited to tender and seven tenders were received. As part of the tendering process contractors were required to offer community benefits arising from the works. Contractors offered similar benefits to the Lot 2 contractors and details are included in the summary attached as **Appendix A**. Following a rigorous tender evaluation process based on the

bid submissions on both Price and Quality evaluation the proposal is to appoint the 2 contractors with the highest combined price / quality scores. Namely:

- § Chigwell(Shepherds Bush) LTD
- § RR Richardson LTD

#### 6.11 **Proposals for award of contracts to Consultants Lot 2:**

6.11.1 Thirteen consultants were invited to tender and 11 tenders were received. A rigorous tender evaluation was carried out based on the bid submissions on Price and Quality evaluation. . It should be noted that prices for providing a multi-disciplinary service submitted by the 3 consultants with the best combination of price and quality were extremely low. Officers were concerned with regards the level and quality of resource that the consultants may provide and following discussion with Legal services requested all bidders to provide clarification of the level and volume of professional resources that they intend to commit to the project. All bidders were presented with a project scenario against which they had to detail their intended resources. Following the assessment of the returns and again after discussions with Legal Services the two lowest bidders were disqualified.

6.11.2 The proposal is be to appoint the 6 consultants with the best combined price/ quality scores to the framework and the 3 consultants with the best scores to manage and administer the 2013/14 DH programme as below:

- § Mace Group (proposed for 2013/14)
- § John Rowan & Partner LLP (proposed for 2013/14)
- § Pellings LLP (proposed for 2013/14)
- § Frankham Consultancy Group LTD (proposed to framework)
- § Bailey Garner LLP(proposed to framework)
- § Potter Raper Partnerships (proposed to framework)

6.11.3 As part of the tendering process consultants were required to offer community benefits arising from the commission. The headlines from their offers include:

- § Offer of technical apprentice
- § Offer of progression into employment – 14 week work placement
- § Commitment to target and identify new opportunities with local suppliers
- § Offer of work placements local schools
- § Fund job fare
- § Outreach placement

## 6.12 **Proposals for Consultants Lot 1**

- 6.12.1 Of seven companies short listed to tender, and who had confirmed a willingness to submit bids, only three bids were returned. The intention was to select four companies to be placed on the framework with the best two of these selected for the first phase of work. The number of returns has not provided a sufficiently robust commercial basis to produce the anticipated outcome.
- 6.12.2 In order to deal with the shortfall in provision officers are proposing to broaden the supplier basis by offering service provision opportunities to smaller local practices that would not have been able to satisfy tender thresholds or the provision of a multi-disciplinary service but may be able to supply staff at competitive rates.
- 6.12.3 The above approach will have sought to achieve sufficient depth for the lot 1 services at market prices. This approach also seeks potentially to reward companies who did tender and widen the scope for service provision to smaller local practices. If achieved, this provides a real opportunity for local business growth in professional services.

## 7. **INCLUSION IN THE CAPITAL PROGRAMME**

- 7.1 Cabinet approved Capital Estimates for the Decent Homes Programme totalling £42.04 million on 8 June 2011. This represented the first two years of the programme and although slippage is projected at the end of this financial year, the full grant conditions will have been met and the DCLG grant entitlement totalling £23.5 million maximised for these years. In order for the contracts outlined in this report to be let, additional capital estimates will be required.
- 7.2 As outlined in paragraph 1.1, Cabinet, in September 2011, approved a funding mechanism to earmark £149.49 million of resources for the funding of the Decent Homes Programme over the four years from 2011-12 to 2014-15. This was predicated on the confirmation of the full Decent Homes Backlog Funding of £94.5 million being available by the DCLG – at that time only the funding for the first two years was guaranteed, totalling £23.5 million. The remainder of the grant of £71 million for 2013-14 and 2014-15 has now been confirmed.
- 7.3 In order that the contracts outlined in this report can be entered into, further capital estimates are required. It is intended that a further report will be submitted to Cabinet which will detail the full programme of works, the capital estimates to be adopted and the financing sources. In advance of this report being considered, it is recommended that a Capital Estimate of £71 million is initially established, being the DCLG grant funded element of the programme which has recently been confirmed. This will mean that Capital Estimates totalling £113 million will be in place, with the residual Capital Estimate approvals being sought in the future report.

## **8. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 8.1 This report outlines the process that has been followed to procure the main contractors and consultants to deliver the Decent Homes Programme for the financial years from 2013-14 to 2015-16. The procurement process has been led by officers from both the Council and Tower Hamlets Homes to ensure compliance with all European Community legislation as well as to ensure that all consultation requirements have been met under Section 20 of the Landlord and Tenant Act 1985.
- 8.2 The report and appendices detail the evaluation criteria for the different aspects of the tendering process. In addition to the pricing and quality analysis shown, contractors were required to offer community benefits – these are detailed in paragraphs 6.9.1 and 6.11.3 – see appendix A.
- 8.3 It also seeks approval for the adoption of a Capital Estimate of £71 million to enable the programme to progress. As outlined in paragraph 4.3, in accordance with Financial Regulations, a capital estimate is required at this stage to ensure that the proposed expenditure has been approved prior to any commitments being entered into. The report seeks approval for a Capital Estimate to be adopted, to the value of the years 3 and 4 DCLG Decent Homes Grant of £71 million. The Council has recently received notification from the DCLG that this grant is now guaranteed for the final two years of the programme, subject to the various performance requirements being met. A further report will be submitted to a future Cabinet meeting which will seek the balance of the Capital Estimates that will be required to complete the full Decent Homes programme, together with details of the full funding streams as approved by Cabinet in September 2011.

## **9. CONCURRENT REPORT OF THE ASST. CHIEF EXECUTIVE OFFICER (LEGAL SERVICES)**

- 9.1 These contracts have been procured using the restricted procedure laid down in the Public Procurement Regulations 2006 (as amended). A notice was placed in the Official Journal of the European Journal advertising the contract opportunity. The report sets out how the bids were evaluated and the recommendations arrived at.
- 9.2 Under section 20 of the Landlord & Tenant Act 1985 (as amended by section 151 of the Common-hold & Leasehold Reform Act) and the Service Charge (Consultation Requirements) (England) Regulations 2003 the Council as Landlord is required to consult with leaseholders when it is proposing to enter into a long term agreement under which the leaseholders can be expected to pay contributions through their service charges to the costs of any works or services. The leaseholders are entitled to information on the proposed contracts and to make observations on those proposals. The Council is then required to pay due regard to those observations before making any decision on the award of the proposed contracts. This is allowed



for in this report and is why the decision to appoint is to be delegated so there is sufficient time to consider the output of the consultation.

- 9.3 Whilst in making the decision on the award of the contracts, value for money remains the over-riding factor that should determine all public sector procurement decisions, it is also possible to take into account social economic and environmental considerations. There is a growing understanding of how value for money is calculated, and how “the whole-life cycle requirements” can include social economic and environmental requirements.
- 9.4 Local authorities, under their duty to achieve best value are required consider social, economic and environmental value in the Best Value Statutory Guidance published in September 2011
- 9.5 In addition the EU procurement framework makes it clear that social requirements can be fully embraced in procurement practice providing certain criteria are met. These criteria are:
- § Social requirements should reflect policy adopted by the public body
  - § Social requirements should be capable of being measured in terms of performance
  - § Social requirements drafted in the specification become part of the contract
  - § Social requirements should be defined in ways that do not discriminate against any bidders across the European Union
- 9.6 This report details how those requirements have been embedded into the procurement and details the additional benefits available from the Decent Homes Procurement whilst still achieving the work on a cost effective basis within the allocated budget.

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 It is the intention over the course of the Decent Homes works programme to ensure that council owned dwellings meet the decent homes standard including the provision of new kitchens and bathrooms. Residents will be consulted on their preferences and resident liaison officers will be on site to address resident concerns which will include specific equality issues.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 A significant proportion of the Decent Homes programme consists of renewing outdated less efficient boilers with modern equivalents. In addition all schemes especially those involving roofs, windows, heating and insulation are developed to maximise energy efficiency.

- 10.2 Sustainability was covered by an element of the quality evaluation criteria. The proposed contractors demonstrated numerous working practices that addressed the sustainability objective and presented extremely high waste recycling figures, all of which can be monitored during the delivery of the contract. A localised workforce has been envisaged to deliver the DH programme with staff encouraged to use public transport and therefore emissions. Contractor's vehicles are energy efficient. Officers will ensure that contractors demonstrate a robust sustainable performance regime which will include developing local KPI's on sustainability issues that will contribute to the Council's overall corporate National Indicator returns.

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 Risk 1 - Leaseholder Stage 2 Challenge in particular use of 3 contractors and consultants delivering similar works with varying recharge values. Mitigation Risk 1 – Officer from the Council and THH working collaboratively, to ensure process and procedures are fully adhered to. LBTH legal to approve all lease hold issues to ensure all notices are compliant.
- 11.2 Risk 2 - Contractor/Consultant challenge following tender procurement process year 3 4 and 5. Mitigation Risk 2 – Officers from THH and LBTH worked together throughout the PQQ and ITT evaluation process to ensure strict adherence to the procurement rules and consistency of process including structure and matrix for evaluation and guidance to evaluation team members. A validation panel was also formed to review the outcome of the evaluation process and results.
- 11.3 Risk 3 - Total Budget reflecting reality of works on site particularly relative to external works. Mitigation Risk 3 - On-going review of project costs during delivery to ensure base line budgets used within business case developed by officers is not exceeded
- 11.4 Risk 4 – Challenge from two disqualified consultants. Mitigation – During the evaluation of consultants a project scenario was presented to all bidders to inform on the resources to be allocated to the project. Officer from both THH and LBTH in consultation with Legal services concur with the assessment and the process adopted leading to the disqualification.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1 There are no specific Crime and Disorder reduction implications, however improving the condition of homes and buildings as a whole by working closely with ASB teams and local residents to develop schemes for e.g. door entry systems and environmental improvements like additional lighting will inevitably contribute to a reduction in crime and disorder.

### **13. EFFICIENCY STATEMENT**

- 13.1 This procurement has been set to be over a three year duration following two previous years of data to allow for both streamlining from lessons learnt and joint working under a partnership contract. The consolidation has enhanced the buying power of the contract, which crucial for achieving economies and therefore value for money. Additionally, quality will be strictly controlled, to minimise re-works by instituting a robust performance regime. Additionally, the flexibilities in the contract will allow the client to reward good performance, - the converse being true for not-so-good performance. Equally, programme will encourage local suppliers, and local people to participate in the DH programme delivery, including delivering apprenticeships as appended in appendix A.
- 13.2 The contract chosen by the council is a partnering contract it is hoped as the project develops and by working collaboratively with both Contractors and Consultants that efficiencies can be achieved by sharing of working practices, systems and processes. As one would appreciate all contractors may have specific skill sets in different areas including labour, supply chains, working methods, resident liaison and waste minimisation to name a few. By combining the best of all, efficiencies will undoubtedly evolve. In relation to similar schemes delivered in other Authorities significant savings and efficiencies have been introduced.
- 13.3 All companies are committed to working with us developing a partnering ethos with all involved.

### **14. APPENDICES**

Appendix A: **Contractor Community Benefits**

---

---

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

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

Cabinet Report dated 8<sup>th</sup> June 2011  
Cabinet Report dated 7<sup>th</sup> September 2011

**John Kiwanuka**  
LBTH Ext 2616

This page is intentionally left blank

Procurement of Consultants and Contractors for the 2013/14, 2014/15 & 2015/16 Decent Homes Programme

Appendix A Contractor Community Benefits

Targets for Stimulating the local economy	minimum expectation time	Contractor A Lot 2		Contractor C Lot 2		Contractor B Lot 2		Contractor C Lot 1		Contractor E Lot 1		Expectations against £105m (large) and £12m (small) spend	
		Total offer	value over three years	Total offer	value over three years	Total offer	value over three years	Total offer	value over three years	Total offer	value over three years	Total cost (Large Lot Only)	total quantities (Both Lots)
<b>Employment of local residents (LBTH) defined by post codes issued by LBTH</b>		quantity	cost	quantity	cost	quantity	cost	quantity	quantity	quantity	cost	quantity	
Appoint a liaison officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	1	£45,360	1	£0	1	£30,000	1	1	1	£75,360	5	
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	70 apprentices	£1,816,360	73 apprentices	£1,090,551	70 apprentices	£63,000	8	6		£2,969,911	240	
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr. NVQ level 2)		£1,816,360		£450,625		£63,000	7	6		£2,329,985		
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any multiple	30	£56,700	60	£8,700	180	£72,000	6	3		£137,400	279	
Provide "progression into employment" opportunities/ schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any multiple	33	£59,850	60	£9,300	180	£78,000	6	3		£147,150	282	
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including those with less than 10 employee).	3 events per annum	9	£34,776	9	£225	9	£18,000	12	15		£53,001	27	
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	Yes	inc in tender	Yes	inc in tender	Yes	inc in tender	Yes	Yes		inc in tender	Yes	
fund Job fairs	1 events per annum	9	£34,776	3	£300	3	£60,000	6	6		£95,076	27	
<b>Supply Chain</b>						0	0	0	0				
Contracts commissioned to businesses registered in TH	20% of total contract value	30%	inc in tender	30%	inc in tender	30%	inc in tender	30%	30%		inc in tender	Yes	
Contracts commissioned to businesses in East London	30% of total contract value	50%	inc in tender	50%	inc in tender	50%	inc in tender	50%	50%		inc in tender	Yes	
Event to provide assistance to grow small, local businesses	1 events per annum	12	£34,776	6	£0	9	£18,000	6	6		£52,776	39	
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	12	£30,960	6	£0	36	£7,200	6	6		£38,160	66	
assistance of bidding for small, local businesses	1 events per annum	Incl Above	£0	6	£0	6	£6,000	6	6		£6,000	24	
<b>Community Benefits</b>													
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	9	£56,700	12	£1,890	18	£4,200	18	15		£62,790	72	
Outreach work	one placement of 26 weeks per annum of contract	15	£47,250	3	£7,350	6	£45,000	6	3		£99,600	33	
Train sessions local residents in basic DIY or trade skills	2 events per annum	18	£46,440	12	£4,800	9	£4,500	9	12		£55,740	60	
Sponsoring - clubs, teams, training programms etc	1 donation	9	£27,000	6	£600	9	£3,600	6	3		£31,200	33	
<b>Total Community Benefits</b>											£249,330		

## Targets for Stimulating the local economy

## Apollo

	minimum expectation time	Quantity per annum (£10m spend)	offer in time per annum	value p.a	Total offer	value over three years	comment
<b>Employment of local residents (LBTH) defined by post codes issued by LBTH</b>		based on £10m p.a.			Based on £35m total spend		
Appoint a liason officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	1	24 Days p/a	£15,120	1	£45,360	meets requirement
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	10 apprentices	52 Weeks p/a	#####	70 apprentices	£1,816,360	meets requirement - 3 year course with pay increases
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr, NVQ level 2)	10 apprentices	52 Weeks p/a	#####		£1,816,360	meets requirement - 3 year course with pay increases
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any multiple	10	18 Weeks p/a	£18,900	30	£56,700	exceeds requiement
Provide "progression into employment" opportunities/ schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any multiple	11	19 Weeks p/a	£19,950	33	£59,850	exceeds requiement
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including thoses with less than 10 employee).	3 events per annum	3	3 days p/a	£11,592	9	£34,776	meets requirement
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	written response to question 6 commits to these requirements					
fund Job fairs	1 events per annum	3	3 days p/a	£11,592	9	£34,776	exceeds requiement
<b>Supply Chain</b>							
Contracts commissioned to businesses registered in TH	20% of total contract value	written response to question 6 commits to these requirements					
Contracts commissioned to businesses in East London	50% of total contract value	written response to question 6 commits to these requirements					
Event to provide assistance to grow small, local businesses	1 events per annum	4	4 days p/a	£11,592	12	£34,776	exceeds requiement
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	4	4 days p/a	£10,320	12	£30,960	exceeds requiement
assistance of bidding for small, local businesses	1 events per annum	Incl Above	Incl Above	£0	Incl Above	£0	meets requirement
<b>Community Benefits</b>							
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	3	6 Weeks p/a	£18,900	9	£56,700	meets requirement
Outreach work	one placement or 20 weeks per annum of contract	5	5 Weeks p/a	£15,750	15	£47,250	meets requirement
Train sessions local residents in basic DIY or trade skills	2 events per annum	6	6 days p/a	£15,480	18	£46,440	exceeds requiement
Sponsoring - clubs, teams, training programems etc	1 donation	3	Item p/a	£9,000	9	£27,000	exceeds requiement
Charity Donations	TBC	3	Item p/a	£13,500	9	£40,500	exceeds requiement

**Targets for Stimulating the local economy**

**Breyer**

	minimum expectation time	Quantity per annum (£10m spend)	offer in time per annum	value p.a	Total offer	value over three years	comment
<b>Employment of local residents (LBTH ) defined by post codes issued by LBTH</b>		based on £10m p.a.			Based on £35m total spend		
Appoint a liason officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	written response to question 6 commits to these requirements				meets requirement	
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	11	52 Weeks p/a	#####	73 apprentices	£1,090,551	only 2 yr arrangement
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr, NVQ level 2)	10 apprentices	52 Weeks p/a	#####		£450,625	only 1 yr qualification
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any multiple	20	14 Weeks p/a	£2,900	60	£8,700	exceeds requirement
Provide "progression into employment" opportunities/schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any multiple	20	15 Weeks p/a	£3,100	60	£9,300	exceeds requirement
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including thoses with less than 10 employee).	3 events per annum	3	3 days p/a	£75	9	£225	does not meet requirements - states ATTEND only
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	written response to question 6 commits to these requirements				meets requirement	
fund Job fairs	1 events per annum	1	3 days p/a	£100	3	£300	does not meet requirements - states ATTEND only
<b>Supply Chain</b>							
Contracts commissioned to businesses registered in TH	20% of total contract value	30%	n/a	£0	30%	£0	exceeds requirements but no details
Contracts commissioned to businesses in East London	50% of total contract value	50%	n/a	£0	50%	£0	meets requirement
Event to provide assistance to grow small, local businesses	1 events per annum	2	2 days	£0	6	£0	exceeds requirements but no details or costs
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	2	2 days	£0	6	£0	exceeds requirements but no details or costs
assistance of bidding for small, local businesses	1 events per annum	2	2 days	£0	6	£0	exceeds requirements but no details or costs
<b>Community Benefits</b>							
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	4	2 Weeks p/a	£630	12	£1,890	exceeds requirement
Outreach work	one placement or 20 weeks per annum of contract	1	26 Weeks p/a	£2,450	3	£7,350	meets requirement
Train sessions local residents in basic DIY or trade skills	2 events per annum	4	4 half days p/a	£1,600	12	£4,800	meets requirement
Sponsoring - clubs, teams, training programems etc	1 donation	2	Item p/a	£200	6	£600	exceeds requirement

**Targets for Stimulating the local economy**

**Axis**

	minimum expectation time	Quantity per annum (£10m spend)	offer in time per annum	value p.a	Total offer	value over three years	comment
<b>Employment of local residents (LBTH ) defined by post codes issued by LBTH</b>		based on £10m p.a.			Based on £35m total spend		
Appoint a liason officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	1	52 Days p/a	£10,000	1	£30,000	meets requirement
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	10 apprentices	52 Weeks p/a	£18,000	70 apprentices	£63,000	meets requirement - 3 year course, £18k p.a. (LLW @ £8.65)
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr, NVQ level 2)	10 apprentices	52 Weeks p/a	£18,000		£63,000	meets requirement - 3 year course, £18k p.a. (LLW @ £8.65)
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any multiple	60	18 Weeks p/a	£24,000	180	£72,000	exceeds requiement
Provide "progression into employment" opportunities/ schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any multiple	60	19 Weeks p/a	£26,000	180	£78,000	exceeds requiement
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including thoses with less than 10 employee).	3 events per annum	3	3 days p/a	£6,000	9	£18,000	meets requirement
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	1				£300,000	100% on site by end of project
fund Job fairs	1 events per annum	1	1 days p/a	£2,000	3	£60,000	exceeds requiement
<b>Supply Chain</b>							
Contracts commissioned to businesses registered in TH	20% of total contract value	30%	n/a	#####	30%	£900,000	meets expectations
Contracts commissioned to businesses in East London	50% of total contract value	50%	n/a	#####	50%	£500,000	meets expectations
Event to provide assistance to grow small, local businesses	1 events per annum	3	3 days p/a	£6,000	9	£18,000	exceeds requiement
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	12	6 days	£2,400	36	£7,200	exceeds requiement
assistance of bidding for small, local businesses	1 events per annum	2	1 days p/a	£2,000	6	£6,000	exceeds requiement
<b>Community Benefits</b>							
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	6	2 Weeks p/a	£1,400	18	£4,200	meets requirement
Outreach work	one placement of 26 weeks per annum of contract	2	26 Weeks p/a	£15,000	6	£45,000	exceeds requiement
Train sessions local residents in basic DIY or trade skills	2 events per annum	3	days	£1,500	9	£4,500	exceeds requiement
Sponsoring - clubs, teams, training programems etc	1 donation	3	Item p/a	£1,200	9	£3,600	exceeds requiement
Charity Donations	TBC	2	Item p/a	TBC	6	£0	exceeds requiement



	minimum expectation time	quantity	offer in time	value	Total offer	value over three years	criteria comment
<b>Employment of local residents (LBTH ) defined by post codes issued by LBTH</b>	Based on £2m spend				Based on £6m total spend		
Appoint a liason officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	1	We will maintain this level of commitment	?	1	?	meets requirement
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	2 + 5	we will provide one place per £800k spend and a minimum of 2 apprentices	?	8	?	exceeds requirement (and compensated requirement from subcontractors) but no values provided
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr, NVQ level 2)	?	We will exceed this by providing one place per 800k spent / contract value with subcontractor	?	7	?	quantity unclear as use direct labour mainly and so spend levels too low to deliver against.
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any multiple	2	We will provide 2 places in accordance with this scheme	?	6	?	meets requirement but values unrealistic
Provide "progression into employment" opportunities/ schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any multiple	2	We will provide 2 places in accordance with this scheme	?	6	?	meets requirement but values unrealistic
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including those with less than 10 employee).	3 events per annum	4	We will conduct 4 events per annum	?	12	?	exceeds requiement
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	85%	We will exceed this by providing 85% direct labour	?	100%	?	100% on site by end of project
fund Job fairs	1 events per annum	2	We will provide 2 per year	?	6	?	exceeds requiement but no values?
<b>Supply Chain</b>							
Contracts commissioned to businesses registered in TH	20% of total contract value	30%	we commit to 30%	?	30%	?	meets expectations
Contracts commissioned to businesses in East London	50% of total contract value	50%	We commit to 60%	?	50%	?	meets expectations
Event to provide assistance to grow small, local businesses	1 events per annum	2	2 events per year	?	6	?	exceeds requiement but no values?
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	2	2 events per year	?	6	?	exceeds requiement but no values?
assistance of bidding for small, local businesses	1 events per annum	2	We will provide 2 events and provide	?	6	?	exceeds requiement but no values?
<b>Community Benefits</b>							
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	6	We will provide 6 places - doubling the target	?	18	?	exceeds requirement but values unrealistic
Outreach work	one placement of 26 weeks per annum of contract	2	We will provide 2 placements	?	6	?	exceeds requirement but values unrealistic
Train sessions local residents in basic DIY or trade skills	2 events per annum	3	We will provide 3 events per annum	?	9	?	exceeds requirement but values unrealistic
Sponsoring - clubs, teams, training programems etc	1 donation	2	We will provide 2 donations with a value of £1,500 each	##	6	£9,000	exceeds requirement but values unrealistic

Please note we have not provided a value in the 3rd 'value' column, but commit to exceeding uour targets both in number and on the basis of reducing the value to 800k of spend, as opposed to £1m

	minimum expectation time	Quantity per annum (£10m spend)	offer in time per annum	value p.a	Total offer	value over three years	criteria comment
<b>Employment of local residents (LBTH ) defined by post codes issued by LBTH</b>					Based on £6m total spend		
Appoint a liason officer to work alongside the Councils Employment & Enterprise team	1 contact over the contract period	1	agreed for contract period, then move to	£2,500	1	£2,500	meets requirement
Apprentices * Existing apprentices to be transferred to this scheme. * Employment of new, local - trade specific, apprentices. * Employment of new, local, office based staff with training programmes * Adoption of/ Safeguard the employment of existing local apprentices.	one apprentice per annum (2 year admin or management for NVQ2) by main contractor; plus one per million (pro rata) against trades	2	2 year	£450	6	£1,350	meets requirement but values unrealistic
Subcontractor apprentices requirements (in addition to the above).	one apprentice per million pounds of order (2 yr, NVQ level 2)	1	agreed, though wil work with supply chain to increase this	£0	6	£0	does NOT meet requirement, needs review
Provide "progression into employment" schemes for local residents who have been unemployed for less than 6 months	14 weeks of adult work experience placement per annum in any	1	20 weeks per annum	£700	3	£2,100	exceeds requirement but values unrealistic
Provide "progression into employment" opportunities/ schemes for local residents who have been unemployed for more than 6 months.	15 weeks of adult work experience placement per annum in any	1	20 weeks per annum	£750	3	£2,250	exceeds requirement but values unrealistic
Promote opportunities through advertising and "Meet the Buyers days" for small suppliers (including thoses with less than 10 employee).	3 events per annum	5	5 per annum	£1,500	15	£4,500	exceeds requirement but values unrealistic
Total local labour including supply chain (direct & indirect). Quantity, Evidence and monitorings	30% of all staff on site averaged per annum	30%	agreed	£0	100%	£0	100% on site by end of project
fund Job fairs	1 events per annum	2	2-3 per annum	£500	6	£1,500	exceeds requiement
<b>Supply Chain</b>							
Contracts commissioned to businesses registered in TH	20% of total contract value	20%	agreed	£0	30%	£900,000	meets expectations
Contracts commissioned to businesses in East London	50% of total contract value	50%	agreed	£0	50%	£500,000	meets expectations
Event to provide assistance to grow small, local businesses	1 events per annum	2	2+ per annum	£500	6	£0	exceeds requiement
assistance with training, H&S and policies improvements for small, local businesses (including those with under 10 employees)	1 events per annum	2	2+ per annum	£500	6	£1,500	exceeds requiement
assistance of bidding for small, local businesses	1 events per annum	2	2 events per annum	£500	6	£1,500	exceeds requiement
<b>Community Benefits</b>							
Linkage to local schools - work experience placements	3 placements of 2 weeks each, per annum	5	5 placements of 2 weeks per annum	£300	15	£900	meets requirement but values unrealistic
Outreach work	one placement of 26 weeks per annum of contract	1	1 placement in 1st year, moving to 2 in the following	£1,300	3	£3,900	meets requirement but values unrealistic
Train sessions local residents in basic DIY or trade skills	2 events per annum	4	4 events per annum	£1,000	12	£3,000	meets requirement but values unrealistic
Sponsoring - clubs, teams, training programems etc	1 donation	1	agreed, though will look for further commuity sponsorship	£500	3	£1,500	meets requirement but values unrealistic
Charity Donations	TBC	1	agreed	£1,000	3	£3,000	meets requirement but values unrealistic

# Agenda Item 6.3

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 January 2012	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 60/123
<b>Report of:</b>  Corporate Directors: Communities, Localities & Culture Development & Renewal  <b>Originating officer(s)</b>  Ann Sutcliffe, Service Head-Strategic Property and Capital Delivery		<b>Title:</b>  Disposals Programme  <b>Wards Affected: Mile End East</b>	

<b>Lead Member</b>	Cllr Alibor Choudhury
<b>Community Plan Theme</b>	One Tower Hamlets
<b>Strategic Priority</b>	Work Efficiently and Effectively as one Council

## 1. SUMMARY

- 1.1 The Council owns a number of assets that are either currently vacant or due to become vacant shortly. These assets are an additional burden at a time of limited resources that the Council currently has for looking after their buildings and the provision of services.
- 1.2 The Council have reviewed the opportunities that are available through these buildings and sites, including bringing them back into use, developing them as council led projects and/or as part of a disposal programme.
- 1.3 This report sets out the options for one of these key sites (Southern Grove) along with a preferred direction of travel.

## 2. DECISIONS REQUIRED

The Mayor in Cabinet is recommended to:-

- (a) Note the contents of this report:
- (b) Agree to the disposal of part of Southern Grove;
- (c) Authorise officers to secure a planning brief for site at part of Southern Grove;
- (d) Following consultation with the Mayor and Lead Member for Resources, authorise the Director of Development and Renewal, in conjunction with the Assistant Chief Executive Legal Services, to

- accept the best tender return for the site on conclusion of the marketing exercise; and ,
- (e) Authorise officers to appoint external agents to support the marketing of the site.

### **3. REASONS FOR THE DECISIONS**

- 3.1 It is important at a time of reducing funding and budgets in the public sector, to ensure that efficiencies are driven through the running and/or disposals of our assets to reduce revenue costs.
- 3.2 To continue to review and rationalise council assets, to reduce the Councils operational portfolio to the minimum.
- 3.3 That the site disposal will generate for the council significant capital receipts, for which can be directed to the Mayor's priorities on housing, education and infrastructure projects.
- 3.4 The development of the site will also, alongside the generation of a capital receipt, will bring forward social and affordable housing along with the potential for other community facilities.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The council has considered the option of developing the site directly, but the funding to deliver this as an option is not available.

### **5. BACKGROUND**

- 5.1 The Council has a significant operational and commercial portfolio that it manages. The Council is currently reviewing its property portfolio and bringing forward a number of sites for direct development and/or disposal. The preferred option that is determined will be based on the availability of funding to develop, or to reduce the revenue running costs for the maintenance and security of vacant buildings by disposing of the properties.
- 5.2 This report focuses on a Council site that is currently vacant. The buildings on the site have stood empty for approximately five years, whilst still making a demand on a limited revenue budget to ensure the buildings remain secure and safe.
- 5.3 The report covers the following site at:
- Part of Southern Grove (North)

- 5.4 The Council through the disposal of the site intends to achieve the maximum capital receipt that can be realised. It is therefore proposed in line with the Asset Strategy, that the site at a minimum will be sold with a planning brief.

### ***SOUTHERN GROVE***

- 5.5 The site comprises a 0.6 ha (1.48 acre) site in Mile End, comprising of two buildings – a five storey former Council office building and a three storey Victorian building formerly used for the Council's Meals on Wheels service. Part of the site is located in Tower Hamlets Cemetery Conservation Area. The buildings have been vacant for approximately five years and the approximate running costs are £180,000 per annum.

- 5.6 The site has the potential to provide approximately 75 residential units.

### **6. DISPOSAL PROCESS**

- 6.1 The success of the disposal will be determined on the basis of being able to undertake the pre-sale work, solid and targeted marketing to be undertaken, along with the completion of the draft lease, HoTs to be issued with the marketing details. This will help expedite the process of concluding contract closes with the successful bidder.

- 6.2 It is anticipated that up to 4% of the capital receipt value will be used to ensure the successful marketing of the sites. This will cover the appointment of an external marketing team, legal and property team support, and where necessary architectural / planning input.

### **7.0 COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 This report seeks Cabinet approval to declare part of the Council owned site at Southern Grove surplus to requirements and to authorise arrangements to be made for its marketing and sale. It is proposed that the site will be marketed with a planning brief already in place in order to maximise the value of the site.

- 7.2 The site is held under General Fund powers and as such, any receipt would be 100% usable.

- 7.3 The site is currently unutilised and generates no income for the Authority. The Council is however incurring significant revenue costs (estimated at approximately £180,000 per annum) in holding this vacant property which will be avoided if the site is disposed of. This will contribute to savings targets for better asset management agreed as part of the authority's budget. .

- 7.4 The proposed property disposal would generate a substantial capital resource if ultimately realised. Although the property has previously been earmarked for disposal, no potential receipt has been assumed as a resource available to finance the capital programme. The Authority adopts a prudent approach to

the use of capital receipts and will only allocate them to schemes once they have been received and all contractual commitments met.

- 7.5 As highlighted in previous reports to Members, funding for capital investment is severely restricted over the next few years, while the Borough's population will continue to increase. Government capital grants to local authorities have reduced significantly, and investment in local priorities will be increasingly dependent upon the sale of surplus assets.
- 7.6 As indicated above (paragraph 5.4) it is recommended that the site is marketed with a planning brief already in place. Although this will delay the timing of the receipt, it will mean that the value of the site will be greater. It is intended that the costs of preparing the planning brief and other marketing costs will be met through the 'top-slicing' of 4% of the receipt value. These costs will initially have to be forward funded in advance of the capital receipt being generated, but because they will be offset against the capital receipt raised, are at risk if they are incurred but the sale does not proceed for any reason. In these circumstances they would need to be met from General Reserves.

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

- 8.1 The Council has the power by virtue of section 123 of the Local Government Act 1972 to dispose of land but this is subject to the need to get the best consideration reasonably obtainable unless the Secretary of State consents to the disposal.
- 8.2.1 The proposals in this report are that the Council will openly market the site using professional agents to establish a competitive value. Bids will need to be assessed against any evaluation criteria that have been identified in the invitation to bid prior to bids being sought.
- 8.3 If the Council is, as landowner, (rather than planning authority) going to require benefits from the land then specific legal advice will be required on the proposed transaction to ensure that it complies with the public procurement regulations as recent EU caselaw has ruled that where a public authority is to derive a benefit (other than the sale price) from a development it will be subject to the public procurement regime where the value is over £3.5 million. This would catch transactions where the Council were to receive social housing units in return for the transfer of a parcel of land. It will not catch obligations which are solely as a result of planning policy so the standard Section 106 agreements are not covered
- 8.4 In addition care must be taken in proposing any transaction where a restriction is to be imposed which may restrict competition. From 6<sup>th</sup> April 2011 the Competition Act 1998 applies to land agreements. This means that any proposed restriction e.g. a restrictive covenant governing the use of the site would need to be assessed by reference to the relevant market to

determine if the proposed restriction will have an appreciable effect on competition.

## **9.0 ONE TOWER HAMLETS CONSIDERATIONS**

9.1. The sale and redevelopment of the sites identified in this report will raise capital receipts or allow for the development of new housing which will be available to support the Council's overall capital programme which supports all service areas to deliver on the Community Plan objectives, as reflected in the Strategic Plan as well as achieve Mayoral priorities to provide new low cost housing.

## **10.0 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

10.1 Any new developments will be to higher environmental standards. The sale of these properties will reduce the Council's CO2 emissions.

## **11.0 RISK MANAGEMENT IMPLICATIONS**

11.1 The key risks are as follows:

11.2 **Timing and marketing strategy** - the disposal and the marketing strategy to ensure maximum capital receipt may not be realised for the Council, if these are not managed well, or insufficient information exists at the time of marketing the properties, this may lead to values being suppressed.

*Mitigation – ensure that full and complete property information is compiled. Ensure that a planning brief or planning permission is available on the high value sites. Professional marketing is undertaken with clear details and timeline for submitting bids.*

11.3 **Market saturation** - the marketing of the site and others already declared surplus for disposal all happen at the same time, it could be viewed as saturating the market, which could drive down or suppress the values and/or level of interest.

*Mitigation- ensure that the marketing of the sites is undertaken on a phased basis to ensure that market interest is maintained.*

11.4 **Market Conditions** - market conditions regarding the value of the land – these will be minimised through the effective management of the sales process and ensuring adequate safeguards to protect the Council's interests.

*Mitigation – ensure that there is transparency about the marketing process, evaluation of bids including ensure the best consideration is achieved on the site.*

## **12.0 CRIME AND DISORDER REDUCTION IMPLICATIONS**

12.1 Vacant sites attract anti social behaviour, including vandalism and squatting. The Council expends funds ensuring that the buildings are secure however there are still attempts to enter the buildings and to vandalise.

12.2 The site disposal will also remove the unsightly empty buildings within the borough.

## **13.0 EFFICIENCY STATEMENT**

13.1 Where an asset has been identified as surplus to requirements, the Council has the option to retain the asset for future use, and in the meantime to pay any costs associated with maintaining and securing the asset, or to sell the asset for a capital receipt. The Council will receive a capital receipt from the sale of the land

## **14. APPENDICES**

14.1 Appendix 1 – site plan of part Southern Grove (North)

---

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

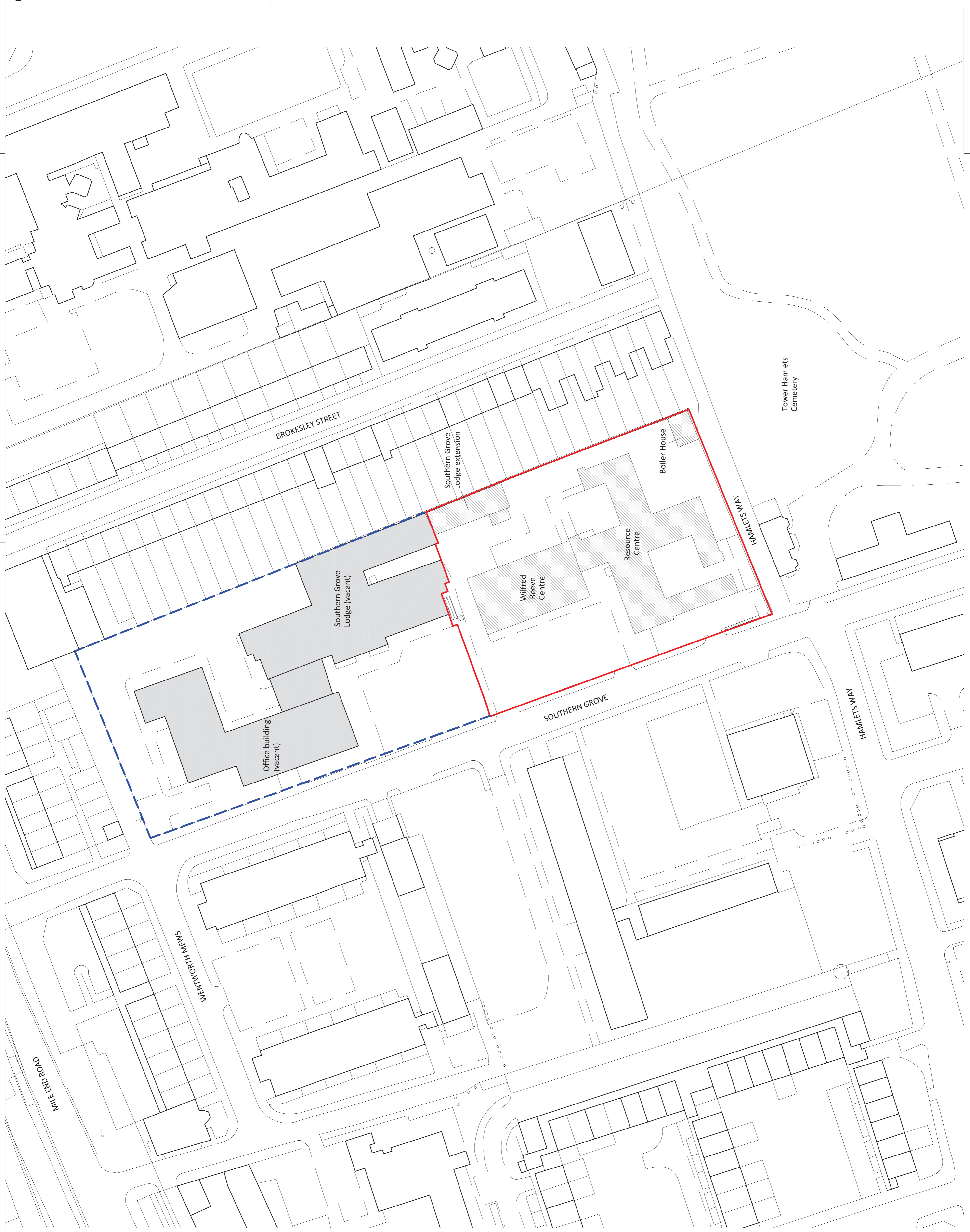
#### **List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
--	---

None

N/A





**KEY:**

- New School Boundary
- Southern Grove site in LBTH ownership outside development
- Existing buildings outside development
- Existing buildings within development to be demolished

Rev	DATE	REVISION HISTORY	Dwg	Dm	Chk	App
D	02.09.11	STAGE 2: PRICING	AM	AM	AM	AM
C	28.07.11	PLANNING SUBMISSION: UPDATED	AM	AM	AM	AM
B	25.07.11	PLANNING SUBMISSION: UPDATED	AM	AM	AM	AM
A	22.07.11	PLANNING SUBMISSION	AM	AM	AM	AM

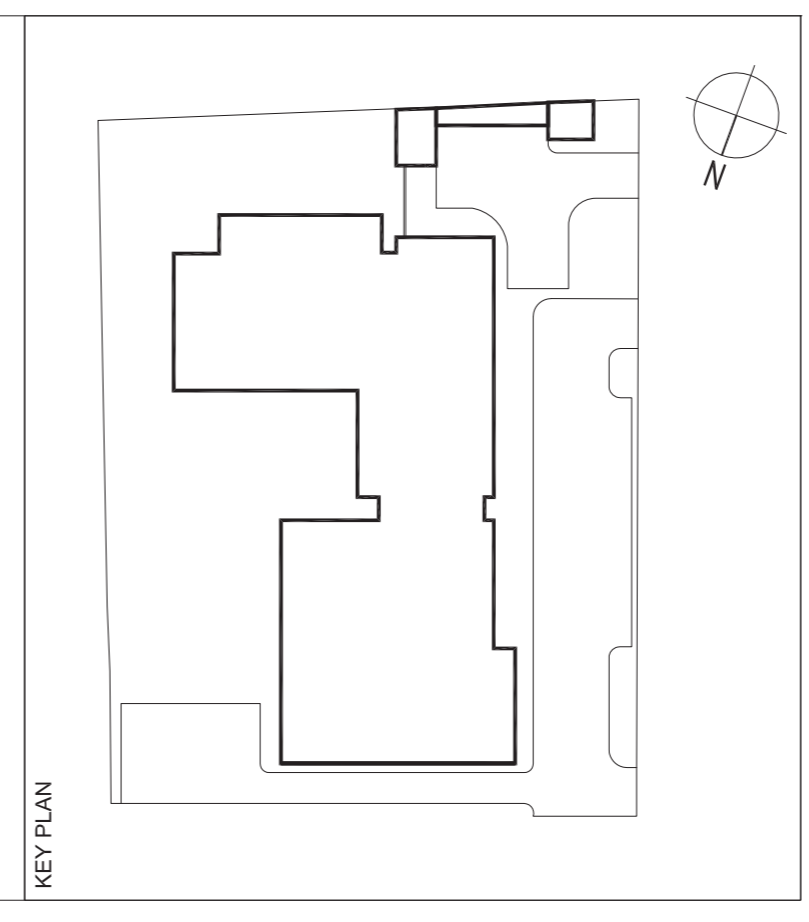
ALL REVISIONS

**BSF TOWER HAMLETS**  
 Boulogne  
 Partnership for Education and Community

**BSF TOWER HAMLETS**  
 28 York Road  
 Tower Hamlets  
 London E20 1JH  
 Tel: 020 7401 0000  
 Fax: 020 7401 0000

**Tower Hamlets Building Schools for the Future**

**TOWER HAMLETS**



ORIGINATOR  
**avanti architects**  
 © Avanti Architects  
 35-1370 City Road  
 London EC7Y 1AS  
 Tel: 020 7401 0000  
 Fax: 020 7278 2886

DRAWING TITLE  
**BEATRICE TATE SCHOOL  
 LOCATION PLAN  
 EXISTING SITE**

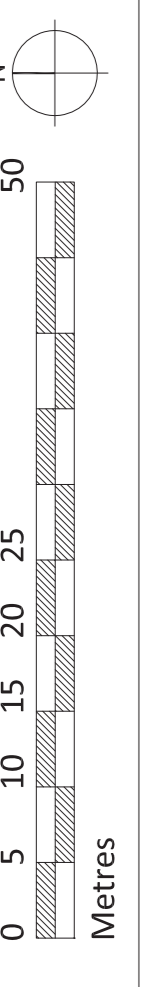
Name	Signature	Date
Designed By	-	-
Drawn By	CT	-
Checked	AM	-
Approved	AM	-

SCALE  
 1:500@A1

FILE NAME  
 BTA-AVA-SIT-000102-EXISTING SITE PLAN

PROPOSED STATUS  
 STAGE\_2

AREA	LEVEL	TRADE	SCHOOL	ISSUER	TYPE	SEQUENCE	REV
B	T	A	V	A	S	I	T
0	0	0	1	0	2		D



This page is intentionally left blank

# Agenda Item 6.4

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 <sup>th</sup> Jan 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 61/123
<b>Report of:</b>  Corporate Director Community, Localities and Culture and Corporate Director Development and Renewal  Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery		<b>Title:</b>  Poplar Baths and Dame Colet House – tender process update and selection of preferred bidder  <b>Wards Affected:</b>  Blackwall & Cubitt Town Limehouse East India & Lansbury St Dunstan's & Stepney Green	

<b>Lead Member</b>	Cllr Rabina Khan ( Lead Member – Housing and Development) Cllr Choudhury (Lead Member – Resources)
<b>Community Plan Theme</b>	Building one Tower Hamlets
<b>Strategic Priority</b>	1.4 Provide effective local services and facilities

## 1. **SUMMARY**

- 1.1 This report deals with the selection of the preferred bidder for the Poplar Baths and Dame Colet Project and the delegated authority to conclude Contract negotiations and enter into contract with the preferred bidder.
- 1.2 This report provides Members with an update on the procurement process for the refurbishment and re-use of Poplar Baths, provision of new homes adjacent to the Poplar Baths Site, new homes on the Dame Colet site and the provision of a new Haileybury Youth Centre.

## 2. **DECISIONS REQUIRED**

Council is recommended to:-

- 2.1 Agree to the recommendation of the procurement evaluation panel to approve the developer consortium mentioned in the tabled Part 2 report as the preferred bidder;
- 2.2 Authorise officers to proceed with the final stage of procurement in finalising agreements with a preferred bidder;

- 2.3 Authorise officers to nominate the unsuccessful bidder as a reserve and to authorise the Director of Community Localities and Culture, following discussion with the Executive Mayor to call upon this reserve if the preferred bidder's position deviates significantly from that tendered.
- 2.4 Following consultation with the Executive Mayor and the Lead Member for Resources, authorise the Director of Community Localities and Culture and the Assistant Chief Executive Legal in conjunction to approve and finalise the contract terms in accordance with the bid and to complete the contract; and,
- 2.5 Adopt a capital estimate to the value of £36m for the development of the Poplar Baths and Dame Colet sites.
- 2.6 Confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential contract costs subject completion of the contract.

### **3. REASONS FOR THE DECISIONS**

- 3.1 Cabinet agreed on 6<sup>th</sup> July 2011 that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation. The decision was made to achieve the following:
- That the retained Poplar Baths be refurbished and remodelled, retaining the heritage features of the building
  - Provision of a minimum of a 100 additional new build homes adjacent to Poplar Baths and on the Dame Colet House sites
  - Provision of a new build youth facility on the existing Haileybury Centre site
- 3.2 Cabinet further agreed on 4<sup>th</sup> July 2012 that officers should proceed with their recommended shortlist of two bidders through final dialogue and invite final tenders.
- 3.3 This reports provide feedback on the ITSFT submissions, and the recommendation to proceed to conclusion of the tendering process and appointment of the preferred bidder as set out in the original OJEU notice.

### **4. ALTERNATIVE OPTIONS**

- 4.1 The final business case attached in Part 2 details the alternate options assessment undertaken around delivery.

### **5. BACKGROUND**

- 5.1 The Cabinet agreed on the 6<sup>th</sup> July 2011 that the Poplar Baths Project should proceed to procurement, working with private sector partners to



delivery the most cost effective option for the Council for the provision of refurbished/remodelled baths, additional home and a new build youth centre.

## **6. Main Body of the Report**

### **Process to date**

- 6.1 LBTH issued an OJEU Contract Notice (2011/S 194-316050) on 8<sup>th</sup> October 2011 via the London Tenders Portal. Further to the Cabinet decision of 4<sup>th</sup> July 2012 two parties were invited to participate in the final stage of dialogue.
- 6.2 The 2 parties were:  
  
Bouygues UK consortium, and  
  
Guildmore Ltd
- 6.3 The two selected bidders were invited to participate in a further period of Competitive Dialogue procurement process by attending Design & Technical and Legal and Financial meetings between the 17<sup>th</sup> July and 12<sup>th</sup> November 2012. The Design & Technical meetings comprised of the bidders presenting their designs as they evolved and the client and professional team providing feedback on these designs. The Legal and Financial meetings involved the bidder's clarification on lease terms and Development Agreement, the structure of their consortium and the structure of the proposed transaction.
- 6.4 Bidders were then invited to present their proposed schemes to the Council stakeholder departments and feedback was provided to each before close of dialogue.
- 6.5 Dialogue was formerly closed on Tuesday 13<sup>th</sup> November 2012 and final tenders were submitted on 30<sup>th</sup> November by both bidders.
- 6.6 The final tenders comprised of design submissions for the proposed schemes as well as financial offers and derogations against the proposed legal documents.
- 6.7 The schemes for the Baths site comprised the refurbished baths option approved at Cabinet in July 2011 but modified to allow for a full sized 25m pool on a 35 year leaseback basis. The housing scheme provided for a minimum of 60 socially rented housing units to the site behind the baths, again on the basis of a 35 year lease and lease back basis with the Borough's arm's length organisation, the ALMO managing the housing stock.
- 6.8 For the Dame Colet and Haileybury site the scheme required the delivery of a minimum of 40 socially rented housing units together with a new youth and community building. Again these were all on a 35 year leaseback basis.

- 6.9 Following receipt of submissions, the professional team reviewed the full documents and provided the Evaluation Panel with an indication of the recommended score (fail, low, acceptable, good and exemplar) for each section (commercial proposition, planning strategy, quality, mix of uses, local issues and management) of the Technical Evaluation.

### **Scoring**

- 6.10 In accordance with the evaluation criteria set out in the invitation to submit final tenders the technical element for each scheme and each site was worth 40% of the overall marks with the financial element for each scheme and each site being worth 60% of the overall marks. The technical and financial scores were then added together to give an overall score for each site and these were then combined to give an overall score.
- 6.11 The Poplar Baths scheme would then be weighted at 70% and the Dame Colet scheme would then be weighted at 30%, to give an overall score for each bidder.

### **Evaluation**

- 6.12 The Evaluation Panel comprised both senior council officers and external technical and legal advisors.
- 6.13 Following this evaluation process which was endorsed by the Project Board, it is recommended to proceed with the Bidder 1 – the highest scoring bidder as identified in the part 2 report.

### **Programme**

- 6.14 Upon receipt of Cabinet approval officers will proceed with finalisation of contract documents to allow detailed design and planning applications to be made. The table below outlines the programme for these works; this has been approved by the selected bidder and will be monitored by the procurement team.

Activity	Start date	Completion Date
Cabinet selection of successful bidder	09/01/13	09/01/13
Alcatel period	09/01/13	19/01/13
Final clarifications	19/01/13	28/02/13
Contract close	28/02/13	28/02/13

Preparation and submission of planning permission	28/02/13	25/06/13
Planning	26/06/13	16/10/13
Financial Close	31/11/13	31/11/13
JR period	17/10/13	16/01/14

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 This report updates Cabinet on the progress of the Poplar Baths and Dame Colet House schemes since 4<sup>th</sup> July 2012, and asks the Mayor in Cabinet to consider the recommendations of the procurement evaluation panel and approve a developer consortium to deliver the scheme.
- 7.2 To protect the Council's financial interest key aspects of the Chief Financial Officer's comments are set out in a separate report on Part II of the agenda.
- 7.3 The base scheme on which bidders have now submitted their final bids, has assumed key standard specifications, including the number of housing units to be provided, and that the whole development operate via a finance lease back of 35 years to the Council. A detailed financial appraisal has now been undertaken of each of the bids, together with a comprehensive financial review of each of the companies which make up the Special Purpose Vehicle (SPV). The SPV will develop and refurbish the properties and lease them back to the authority over a 35 year period. The SPV is responsible for running Poplar Baths leisure complex but the new dwellings are managed and internally maintained by Tower Hamlets Homes (THH). Under the Development Agreement, the annual lease payment becomes payable once the development period has ended.
- 7.4 Each of the four elements of the project will be financed through a finance lease. A finance lease is defined as an agreement where risks and rewards of ownership are substantially transferred to the lessee. The lease term is for the major part of the economic life of the asset and ownership of the asset transfers to the lessee at the end of the lease period. It is therefore clear, that as ownership of the asset transfers to the lessee at the end of the lease period, these leases can only be classified as a finance leases.
- 7.5 In accordance with accounting standard IAS 17 and the Prudential Code for Capital Finance in Local Authorities if the leases are classified as finance leases the assets and the liabilities have to be recognised in the Authority's balance sheet. The recognition of property plant & equipment will be matched by long term liabilities defined as credit arrangements. These credit arrangements will count in the calculation of the capital financing requirement. Adoption of a capital estimate is therefore required by the Mayor in Cabinet. The development costs, including internal clienting arrangements are likely to

be up to £36m, taking into account project financing risks (for example changes to rates on interest.) This will be split £20m capital estimate within the General Fund and £16m within the Housing Revenue Account.

- 7.6 Provision has been made in the Council's medium term financial strategy, as agreed by the Council in February 2012, for additional General Fund capital schemes valuing some £30million to be financed via prudential borrowing. The recommended GF element of the capital estimate is within those parameters.
- 7.7 The annual overall net revenue costs are estimated at between £1.6m - £1.8m, with approximately £1.25m of this attributable to the General Fund. This includes the annual cost of running the Poplar Baths facility, which for each bid is less than £100k per annum.
- 7.8 The affordable rents receivable on the housing development, over the period of the HRA business plan, will not be sufficient to repay the development financing costs. Indeed the annual gap will be up to £500k. Furthermore because this is a finance lease and deemed to be notional borrowing the housing developments will count against the Council's authorised debt cap under the HRA self-financing regulations. The HRA borrowing headroom will reduce by up to £16m. This will mean that the Council will reach its debt cap earlier than currently predicted in the 30 year business plan. To compensate for the loss of capital resources additional resources of between £400k and £500k per annum will need to be identified to supplement HRA reserves to deliver the long term capital investment needs of the existing housing stock. In total, therefore, full year savings of between £750 and £1,050k per annum are required from 2015/16 to deliver a balanced HRA business plan. Savings have been factored into the HRA Medium Term Financial Plan to offset these costs.
- 7.9 The housing element of the scheme could generate some £900k additional New Homes Bonus over the six year period following its completion, assuming no change to Government policy with regards to its allocations. That could be applied to partially offset the net cost of the scheme.
- 7.10 As outlined in the Risk Management Implications (paragraph 11.2), tenants will potentially maintain the right to buy the new rented properties. The Authority will be able to fully utilise any capital receipt but will receive reduced rental income while still being liable to make the full lease payment to the Special Purpose Vehicle over the period of the lease.

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

- 8.1 The Council has conducted the Procurement process for this contract using the Competitive Dialogue procedure in accordance with the Public Contracts Regulation 2006. This procedure is used in the case of particularly complex



contracts where contracting authorities consider that the use of the open or restricted procedure will not allow the award of the contract.

- 8.2 A contract is "particularly complex" when the Authority is not able to objectively define:
- the technical means capable of satisfying their needs or objectives and/or
  - the legal and/or financial make up of a project. This is broadly interpreted as contracting authority not be able to produce a single specification or legal/financial documents at the outset which would enable it to identify the best solution to meet its needs One of the purposes of the procurement process is to work with potential providers to identify which solution is best.
- 8.3 The Competitive Dialogue procedure was considered appropriate in this Case given that the Council is seeking to obtain not only the refurbishment of Poplar Baths to bring it back into public use but also the maximum number of new build homes and a new build youth facility on the Haileybury Centre site . The scope of OJEU notice was comprehensively drafted to enable the contracting authority to have discussions with bidders with the aim of identifying and defining the means best suited to meet the contracting authority's needs.
- 8.4 The Competitive Dialogue Process has produced contract proposals from the two remaining bidders.
- 8.5 This contract will be consistent with the Council's obligation as a best value authority under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.6 The council retains the freehold of the land and grants a licence to build to the developer and upon practical completion of the works the lease is granted. This ensures that title does not pass before the works are completed

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 This project provides the improved opportunities for access to community leisure and youth facility along with affordable rented homes. A EIA has been undertaken and is attached to this report.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 The schemes will comply with the Council's requirements on the reduction of carbon emissions, energy consumption along with green and sustainable construction delivery.

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 The main risks that exist for the project are as follows:
- A. The project over-runs its programme, incurring additional costs for the Authority, including bid costs
  - B. A lack of resources to maintain the programme

The above will be managed through strong project governance arrangements on the project, building on good practice on complex commercial negotiations undertaken by the borough over recent years.

- 11.2 Recent legal advice indicates that although the Authority is leasing the dwellings for the thirty-five year period, there is potential that tenants moving into the properties will maintain their ability to exercise the right to buy on these dwellings. The Authority will therefore continue to be liable for the lease rental payments to the Special Purpose Vehicle, but will no longer generate rental income. The capital receipts generated will be fully usable by the Authority, with resources recycled into the scheme.
- 11.3 There are a number of risks associated with the final tender recommendations; these are detailed in the part 2 report.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1 The project will provide homes that are of a better design in terms of orientation to maximise passive supervision of common and external areas, with safe pedestrian routes to and from the homes. The community leisure and youth facilities will promote positive activities for young people to engage with.

## **13. EFFICIENCY STATEMENT**

Provision of additional new homes will contribute to the Councils Overcrowding Strategy, through rehousing those tenants most in need. The homes, along with the refurbished properties and the Youth Centre will be built to sustainable design standards, therefore reducing the financial impact for residents and users. The procurement process will identify the most efficient means of delivering this key Mayoral priority.

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**  
**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.

Cabinet Report 6 July 2011

Cabinet Report 14<sup>th</sup> March 2010

Ann Sutcliffe

Service Head, Strategic Property &  
Capital Delivery

This page is intentionally left blank

# Agenda Item 7.1

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 09 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 60/123
<b>Report of:</b> Corporate Director: Isobel Cattermole; Interim Corporate Director: Children, Schools and Families  <b>Originating officer(s):</b> Deborah Cohen; Service Head: Commissioning and Strategy		<b>Title:</b> <b>Future Commissioning Arrangements for Public Health services</b>  <b>Wards Affected:</b> All Wards	

<b>Lead Member</b>	Cllr Abdul Asad; Health and Wellbeing
<b>Community Plan Theme</b>	A healthy and supportive community; One Tower Hamlets
<b>Strategic Priority</b>	Reduce health inequalities and promote healthy lifestyles; Reduce inequalities Work efficiently and effectively as One Council

## 1. **SUMMARY**

- 1.1 From 01 April 2013 responsibility for the delivery of a range of Public Health services in Tower Hamlets will transfer from the NHS to the Council as a consequence of the enactment of the Health and Social Care Act 2012. As part of this transfer, the Council will become responsible for commissioning public health services from a range of NHS, voluntary and private sector providers. The NHS currently has 83 contracts for public health services which have been identified for transfer to the Council, with a combined annual value of c£17.76million. Included within this number are adult drug / alcohol treatment contracts, the commissioning of which is managed by the Drug and Alcohol Action Team (DAAT) and the young people's substance misuse contract managed within Children's Schools and Families.
- 1.2 The purpose of this paper is to set out the proposed arrangements for managing this commissioning activity in 2013/14 and subsequent years, and to seek approval for a procurement programme commencing in January 2013 for those contracts scheduled to expire in 2013/14. The proposed arrangements have been developed in full collaboration with the Public Health colleagues who will transfer to the Council's employment in April 2013, and who will manage the procurement programme with support from Council officers. Drug and alcohol services will continue to be commissioned by the Drug and Alcohol Action Team (DAAT).
- 1.3 Approval is also sought for a proposed approach to managing a series of contractual relationships with GPs and Pharmacists for the purpose of delivering services currently delivered through NHS Locally Enhanced Service arrangements.

- 1.4 The amount of funding that will be transferred to the Council in respect of the public health contracts for 2013/14 was scheduled to be confirmed by the Department of Health on the 19<sup>th</sup> of December 2012. This announcement has now been delayed until January 2013. Once the confirmed level of funding is known the proposed procurement programme will be reviewed with regards to affordability, and adjusted as necessary.
- 1.5 If work on procurement activity and contract extensions is not started in January there are serious risks to continuation of service delivery from 1<sup>st</sup> April 2013

## 2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Approve the commencement of competitive tender processes for the following contracts:
- (See section 1a of appended spread sheet); (Please note contracts will not be awarded if insufficient funding is allocated by the DoH and the matter will be brought back to the Mayor)
- 2.2 Approve the extension, for up to 12 months, and subsequent procurement during 2013/14, of the following contracts:
- (See section 1b of the appended spread sheet)
- 2.3 Approve the procurement, during 2013/14 of the following contracts scheduled to expire on 31 March 2014:
- (See section 1c of the appended spread sheet);
- 2.4 Note the contracts currently held by the NHS where the services are already provided by the Council. These will become directly provided services from 01 April 2013, and therefore no further commissioning is required:
- (See section 1d of the appended spread sheet);
- 2.5 Note the contracts which the NHS will not maintain beyond 31 March 2013 and will be decommissioned by the PCT. Therefore no commissioning activity is required by the Council:
- (See section 1e of the appended spread sheet);
- 2.6 Approve the transfer of responsibility to the Council for the elements of the current contracts with Barts Health NHS Trust and the East London Foundation Trust (ELFT) which pertain to services delivered to residents of Tower Hamlets and note that the Barts contract expires on 31 March 2014 and the ELFT contract on 30<sup>th</sup> June 2014. The services currently provided to Tower Hamlets residents under these contracts are:
- (See section 2a of the appended spread sheet);
- 2.7 Note the intention to work with the Tower Hamlets Clinical Commissioning Group, neighbouring Councils and their respective Clinical Commissioning

Groups who have an interest in the contracts with the Barts Health NHS Trust during 2013/14 to determine longer term commissioning arrangements which balance local flexibility and priorities with a prudent approach to risk sharing;

- 2.8 Delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in accordance with the Council's constitution in consultation with the Cabinet Member for Health and Wellbeing and Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to enter into various agreements to give effect to the recommendations detailed above and also to enter an agreement with the Tower Hamlets Clinical Commissioning Group for the management of contractual arrangements with GPs and Pharmacists currently delivered under NHS Local Enhanced Services arrangements or direct employment contracts with the NHS, for the period 1 April 2013 to 31 March 2014. This is subject always to establishing adequate funding and satisfactory terms that protect the Council and deliver local objectives and or other appropriate providers. In particular the services currently provided to Tower Hamlets residents under these Local Enhanced Services arrangements are:
- (See sections 2c and 2e of the appended spread sheet);
- 2.9 Approve the proposed joint commissioning arrangements for the commissioning of sexual health services with the Commissioning Support Unit (who will commission health services on behalf of the Tower Hamlets Clinical Commissioning Group) acting as lead commissioner. The services currently provided to Tower Hamlets residents that fall within the remit of the proposed joint commissioning arrangements are:
- (See sections 2b and 2d)
- 2.10 Delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in consultation with the Cabinet Member for Health and Wellbeing and other relevant Lead Member(s) and chief officer(s), and the Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to approve the award of contracts to the most economically advantageous tenderers following the completion of the procurement processes referred to in recommendations 2.2, 2.3 and 2.4 above subject always to the establishment of appropriate terms and appropriate measures to safeguard local priorities.
- 2.11 Delegate authority to the Corporate Director responsible for the functions being exercised in the contracts to undertake and to enter into all appropriate arrangements relating to Equality Impact Assessments and consideration of the Public Sector Equality Duty in accordance with the Equality Act 2010 prior to any decisions being taken on commissioning or de-commissioning of services .

### **3. REASONS FOR THE DECISIONS**

- 3.1 To ensure continuity of provision for public health services delivered under contracts which the Council will become responsible for, as a consequence

of the enactment of the Health and Social Care Act 2012, from 01 April 2013 and which contribute to maintaining and improving the health of the population of Tower Hamlets.

- 3.2 The Council's Constitution, and the scheme of delegation to officers contained therein, do not currently incorporate the public health functions that will transfer to the Council from 01 April 2013. Up until the transfer date it is necessary, therefore, to seek Cabinet approval for all of the contracts relating to the discharge of those functions irrespective of value.
- 3.3 There are a number of drug / alcohol contracts (set out in section 1.b of the appended spread sheet) which are currently scheduled to expire on 31 March 2013. In order to provide sufficient time to plan a redesign of the treatment pathway for drug and alcohol services, to revise service specifications to reflect the planned redesign, and to undertake competitive procurement processes existing services will need to be maintained for a period of up to twelve months from the current expiry date.

#### **4. ALTERNATIVE OPTIONS**

- 4.1 The Mayor in Cabinet could require officers to consider alternative approaches to, or timescales for, the procurement plans set out in this report. This option is not recommended as it would lead to delays in the award of new contracts that may lead to discontinuity of service delivery.
- 4.2 The Mayor in Cabinet could instruct that specific contracts not be reprocured. It should be noted, however, that officers have worked closely with public health colleagues, over an extended period of time, to determine the benefits for health and wellbeing in the population of the borough of each of the services that it is recommended here be reprocured. For this reason this alternative option is not recommended.
- 4.3 The Mayor in Cabinet could instruct that specific contracts, and / or contracts above a particular value are brought back to Cabinet for the contract award decision to be made, in preference to delegating authority to award those contracts to officers. However care needs to be taken to ensure delay in award does not impact on service delivery
- 4.4 The Mayor in Cabinet could choose not to extend the contracts managed by the Drug and Alcohol Action Team and instruct that notices of termination be issued to existing providers. This alternative option is not recommended as it would leave a particularly vulnerable group of residents of the borough at risk of significant deterioration in their health and wellbeing, and of increasing levels of crime.

#### **5. BACKGROUND**

- 5.1 From 01 April 2013 responsibility for the delivery of a range of Public Health services in Tower Hamlets will transfer from the NHS to the Council as a consequence of the enactment of the Health and Social Care Act 2012. As



part of this transfer, the Council will become responsible for commissioning public health services from a range of NHS, voluntary and private sector providers. The NHS currently has 83 contracts for public health services which have been identified for transfer to the Council, with a combined annual value of c£17.76million. Included within this number are adult drug / alcohol treatment contracts, the commissioning of which is managed by the Drug and Alcohol Action Team (DAAT) and the young people's substance misuse contract managed within Children's Schools and Families.

- 5.2 Officers of the council, in partnership with public health colleagues, have undertaken a significant amount of work to understand the nature of these contracts and to determine the role the services provided via these contracts play in contributing to maintaining and improving the health and wellbeing of the borough's population.
- 5.3 A statutory transfer order will be made before April 2013 and this will set out details of the contracts to be transferred from Primary Care Trusts to other bodies including local authorities in respect to public health commissioning. The statutory order will transfer any contracts with a contract term that extends beyond March 2013. Councils will be able to agree changes with providers subject to the terms of the contract. It is currently understood that the NHS contracts within the scope of this report will all be covered by this statutory transfer order.

## **6. BODY OF REPORT**

### **NATIONAL GUIDANCE ON NEW LOCAL AUTHORITY PUBLIC HEALTH COMMISSIONING RESPONSIBILITIES**

- 6.1 National guidance issued in December 2011 set out the proposed split of public health functions between Public Health England, the national agency, the NHS Commissioning Board, and local authorities which will be responsible for most local services and programmes. The division of responsibilities will be enacted through Regulations under the Health and Social Care Act.
- 6.2 Public Health England will lead on the national development of public health services, including public health surveillance, intelligence and knowledge management, expert and specialist health protections services and leading on emergency response. They will also have a duty to support local authorities in their local public health role, including the appointment of local Directors of Public Health.
- 6.3 The NHS Commissioning Board (NCB) will commission national health protection services such as screening and immunisation and will be responsible for commissioning services for 0-5 year olds, including the Family Nurse Partnership, Healthy Child Programme, Child Health Information System and Health Visiting, until 2015, overseeing a significant increase in health visitor numbers and a revitalisation of the service before it is transferred to local authorities.

6.4 Local authorities will be responsible for commissioning most of the public health services that are delivered locally, with the exceptions of screening, immunisation and services for under 5s as detailed above. The mandatory areas of local authority service provision under the Act are:

- Comprehensive sexual health services, including testing and treatment for STIs and contraception outside of the GP contract, and sexual health promotion and disease prevention
- National child measurement programme
- National health check programme for 40-74 year olds
- Population healthcare advice for clinical commissioners
- Putting in place local health protection plans

The latter two obligations will be delivered by the Director of Public Health and the public health team within the Council directly but the first three groups of services will need to be commissioned from clinical providers.

6.5 The other major non-mandatory areas of commissioning that local authorities will be responsible for are drug and alcohol services, nutrition and obesity reduction, increasing physical activity, tobacco control and smoking cessation, health improvement services for 5-19 year olds, oral health services, public mental health, behavioural and lifestyle campaigns, reducing environmental risks, community engagement and tackling social exclusion, the public health element in community safety and the local role in responding to health emergencies.

#### **RING-FENCED PUBLIC HEALTH GRANT**

6.6 The greatest area of risk at this point is the uncertainty about the level of ring-fenced public health that local authorities will receive from 2013. All local authorities are extremely concerned about taking over public health responsibilities without a clear understanding of the budget that will be available. This is particularly so in respect to contractual responsibilities that are proposed to be transferred to the local authority with significant financial liabilities attached. This concern is acknowledged by the Department of Health but no definitive announcement of the actual public health grant levels for 2013-14 is anticipated before 19 December 2012. To provide reassurance the Department has stated that

*“To give local authorities as much certainty as possible when planning to take on public health services, the DH has committed that the actual allocation for each LA in 2013-14 is no less in real terms than the 2012-13 baseline spending estimate for that LA published in February 2012, other than in exceptional circumstances where for example there has been a gross error in the reported spend. The real terms uplift will be based on the GDP deflator forecast as estimated by the independent Office for Budgetary responsibility.”*

- 6.7 The most recently available baseline figure, provided to the Department of Health in October 2012, for the amount of funding to be transferred via the ring-fenced public health grant to the Council is £25,814,209. This figure includes staffing and other costs which do not fall within the scope of this report.
- 6.8 Through a separate process the Department of Health has issued a consultation paper on the future allocation of public health grant using a formula method of allocation. In addition it is proposed that part of the public health grant be paid in the form of a “health premium” which will be performance related on a range of health related (rather than health) indicators yet to be identified. Projections by London Councils suggest that application of the ACRA grant as proposed would tend to move funding away from London generally and particularly disadvantage areas with higher historic levels of public health expenditure such as Tower Hamlets. The NHS (Public Health) and the Council have both responded to the consultation and expressed concerns about the potential impact. It is not clear how quickly the Department of Health intends to move to the proposed formula basis for the grant although initial indications are that the pace of change is likely to be fairly slow.
- 6.9 To summarise the budget position in respect to the Council’s new commissioning role, it is currently understood that the confirmed ring-fenced public health grant will not be known until the 19<sup>th</sup> of December 2012. There is reassurance that the level of grant for 2013-14 will not fall below the estimated level for 2012-13 in real terms, although it is not quite clear what this means in practice. It would be prudent to assume that the £25,814,209 might be adjusted through the removal of non-recurrent funding and for NHS savings applied in 2011-12 and 2012-13. It would also be advisable to make provision for the top slice proposed to fund the Mayor of London’s Health Improvement Programme, although this is not now anticipated as being more than 0.5%.

#### **COMMISSIONING INTENTIONS FOR 2013-14**

- 6.10 The contracts spread sheet appended to this report provides detail of current services provided under contract, and the organisations with whom those contracts are currently placed. At the point when these contracts are transferred to the Council, on 01 April 2013, they will become subject to the Council’s Financial Regulations and Procurement Rules. All of the contracts to be transferred will have an expiry date no later than the 31 of March 2014, and it is therefore intended that a substantial programme of retendering these services be undertaken in 2013/14.
- 6.11 The commissioning intentions for the various groups of contracts set out in the appendix are summarised in the table below:

Cat.	Type of Contract	No of contracts	Total value (£)	End date	Proposed Action
1A	Various public health	6	216,125	31.3.13	Extend NHS contracts for

					four months; start reprocurement
1B	Various drug treatment	15	3,373,064	31.3.13	Extend contracts 12 months - reprocure
1C	Various public health	28	2,825,085	31.3.13	Extend NHS contracts by 12 months and reprocure during 2013-14
1D	Public health contracts with LBTH	10	1,148,774	31.3.13	Service continued by LBTH – no action required
1E	Contracts being discontinued by PCT	10	194,600	31.3.13	Service discontinued by PCT
2A	Block Contracts with Bart's Health or East London Foundation Trust	3	9,096,789	31.3.14	Transfer current contracts to LBTH and reprocure during 2013-14
2B	Additional sexual health contracts	2	172,872	31.3.13	Extend NHS contracts by 12 months and reprocure during 2013-14
2C	Primary care contracts with GPs and pharmacies	12	1,908,371	31.3.13	Recommission through the CCG support service
2D	Pan London Sexual Health Contracts	4	168,000	31.3.13	Await guidance on pan London approaches

- 6.12 In order to manage the significant workload associated with this tender programme, it is proposed that a number of tender processes be commenced before 01 April 2013, and the contracts covered by this proposal are set out at section 1a of the appended spread sheet.
- 6.13 The contracts it is proposed be retendered during 2013/14 are set out at section 1c of the appended spread sheet. Council officers and Public Health colleagues are continuing to work closely to develop a detailed procurement plan for these contracts that will enable the programme to be managed in the most efficient way possible.
- 6.14 In addition to the contracts referred to in paragraphs 6.12 and 6.13 above, there are a number of contracts currently let to NHS providers, primarily Barts Health NHS Trust and the East /London Foundation Trust, or in the case of Local Enhanced Services, with GPs and Pharmacists. These contracts are detailed in sections 2a, 2c and 2e of the appended spread sheet. It is currently planned that the elements of the current contracts with Barts Health NHS Trust and the East London Foundation Trust which pertain to services delivered to residents of Tower Hamlets will transfer to the Council on 01 April 2013. Cabinet should note that these contracts expire on 31 March 2014. Given the complex nature of the contractual arrangements pertaining to Local Enhanced Services, officers are currently working with the Tower Hamlets Clinical Commissioning Group (CCG) and the Commissioning Support Unit (CSU) that will support the CCG to agree an arrangement whereby the CSU manages these contracts on the Council's behalf in 2013/14.

- 6.15 A number of the services covered by the contracts referred to at paragraph 6.14 above involve aspects of demand driven activity, such as prescribing of drugs, which are not currently capped. For the contracts with Barts Health NHS Trust and the East London Foundation Trust in particular this presents a financial risk which is currently managed through risk-sharing agreements that allow costs occurring in one part of the contract to be offset by efficiencies achieved in other areas. Officers are therefore proposing to continue working with the CCG, CSU and neighbouring boroughs during 2013/14 to determine how similar risk sharing approaches can be maintained beyond 2013/14.
- 6.16 Proposals are also being developed with a number of other local authorities to jointly commission a range of sexual health services with one of the authorities acting as the lead commissioner from 2014/15 onwards. For 2013/14 it is proposed that the CSU manage these contracts on behalf of the boroughs and that during 2013/14 tender processes are undertaken to put new contracts in place for 2014/15. The contracts covered by these proposed joint commissioning arrangements are set out in sections 2b and 2d of the appended spread sheet.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 Subject to confirmation by the Government as part of the financial settlement, the transfer of Public Health services from the NHS to the Council will result in the Council inheriting an estimated £25.814m along with the responsibility for delivering a variety of Public Health services.
- 7.2 £17.760m of the above indicative total funding envelope relates to 83 contracts currently in place to deliver the range of Public Health services that are due to transfer from the 1<sup>st</sup> April 2013.
- 7.3 There are financial risks associated with the uncertainty with regards level of funding and ring-fenced services and these are detailed in section 6.6.
- 7.4 The procurement strategy detailed within this paper will enable the contracts to be managed and services to be delivered in an efficient manner and within the financial envelope.
- 7.5 Alternative options, detailed within section 4, are not recommended as they are likely to have a negative impact on service provision as well as increase financial risk to the authority.

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

- 8.1 The Council has the power and the obligation stemming from the National Assistance Act 1948 (in particular Sections 21 and 29 and also through subsequent amending legislation) to provide community care based

services. Essentially, the main aim of the current changes detailed in this report are to remove community style care services that are currently being provided by the Health Authority from the Health Authority and to ensure the same service provision is provided now by the Council. However, some of the services are specifically health orientated (for example, some services require the commissioning of services from General Practitioner doctors. In order to assist with the difficulty surrounding the Council's powers central government is also setting up the Clinical Commissioning Group. This is an organisation with which the Council can enter into contracts and the CCG will then commission such services on our behalf.

8.2 The main area of risk for the Council is that it is taking on these contracts without subjecting the purchase (in the first instance) to competition. However, the Council is seeking itself to reduce the risk itself by procuring the services that can be procured prior to the 1<sup>st</sup> April 2013 and also where we are forced to extend existing arrangements, entering into the extensions but showing a firm commitment to reprocur the services in the not too distant future.

8.3 Central Government also is driving the process and the transfer of contracts caused by legislation and not by choice also reduces significantly the effect of any challenge a provider who is excluded from providing the services at this stage would have.

8.4 Currently the Council is in constant discussion with the Health Authority to facilitate a smooth transition of the legal contracts. Also, it is critical that the services transfer seamlessly (without waiting for new procurements to occur) to ensure that continuity of services are received by Tower Hamlets local residents. The Council has been informed by the PCT that 10th January 2013 is the last date on which we can elect to have the PCT extend the contracts for the borough and have those contracts transferred to the Council. This transfer is to be done by Statutory Order made by the Secretary of State so there is a long lead in time for it. It is therefore essential that a decision is taken by 10<sup>th</sup> January or this opportunity will be lost and the Council could be left without any contractual provision of services. The report outlines the position and the difficulties regarding the procurement of new contracts in time for 31st March 2013 so without the statutory transfer there is a real risk no service will be available. as the Statutory Order is the only way to get the benefit of the existing contracts

8.5 The majority of the contracts for public health services will be Part B services under the European Directive, 2004/18/EC, and subsequently the UK Public Contracts Regulations (2006). These set out a clear set of requirements on the Council. Part B tenders must comply with the regulations in that they must be "adequately advertised", must include a technical specification, and feedback must be available. The Treaties of Maastricht and Lisbon and UK competition law require that nothing be done which in any way prevents,

restricts or distorts competition. In addition these services need to be procured in line with the Council's procurement procedures and the body of the report sets out how that has been achieved.

- 8.6 In carrying out any procurement the Council has a duty under section 3 of the Local Government Act 1999 to achieve best value. It is required to consider social, economic and environmental value in the Best Value Statutory Guidance published in September 2011
- 8.7 In addition the EU procurement framework makes it clear that social requirements can be fully embraced in procurement practice providing certain criteria are met. These criteria are:
- Social requirements should reflect policy adopted by the public body
  - Social requirements should be capable of being measured in terms of performance
  - Social requirements drafted in the specification become part of the contract
  - Social requirements should be defined in ways that do not discriminate against any bidders across the European Union

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 Equalities Impact Assessments for each of the contracts covered by recommendation 2.1 above (those recommended for immediate procurement) have been completed, and service specifications reviewed and amended as required to address any equalities issues identified;
- 9.2 Equalities Impact Assessments for each of the contracts covered by recommendations 2.2, 2.5, 2.7 and 2.8 above will be completed prior to the commencement of procurement and service specifications reviewed and amended as required to address any equalities issues identified;

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 A number of the services provided under the contracts covered by this report contribute to the improvement of the environment as well as improving the health and wellbeing of the population. Examples of these include smoking cessation services, services that promote healthier travel, and services which promote healthier eating (local produce).

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 The contractual arrangements to be transferred to the Council on 01 April 2013 will be funded in 2013/14 by ring-fenced Public Health grant from the Department of Health. The Council will be notified of the funding settlement for 2013/14 on 19 December 2012 (TBC) and the proposals set out in this report, as they relate to 2013/14, are made on the basis that they can be funded from the settlement amount.

11.2 All contracts let following the procurement programmes set out in this report will include clauses that allow the Council to vary the contract value in response to changes in the level of funding provided by central Government to the Council for the provision of public health services in 2014/15 and beyond.

11.3 A number of the services funded under contracts covered by this report involve activity which is demand driven, and not currently capped, and this presents a financial risk to the Council. Examples of such activity include health screening and the provision of medication and other clinical interventions on prescription. Prior to the reprocurement of any services that incorporate activity of this nature a risk mitigation plan will be developed and agreed. For the contracts with the Barts Health NHS Trust, the opportunities to manage risk across the totality of the contract, as NHS commissioners do currently, will be an important factor in making decisions about any future joint commissioning arrangements.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

12.1 The drug and alcohol services provided under contracts which fall within the scope of this report contribute to the reduction of crime and disorder by providing services and treatment which seek to reduce the usage of illegal substances.

## **13. EFFICIENCY STATEMENT**

13.1 The procurement programmes covered by recommendations 2.1, 2.2 and 2.3 above will be managed in full compliance with the Council's Financial Regulations and Procurement Rules, and individual tenders will be designed to ensure that contracts are awarded to the bidder or bidders submitting the most economically advantageous tender(s), taking account of economy, efficiency and effectiveness.

## **14. APPENDICES**

Appendix 1 – Public Health Procurement Plan Spread sheet

---

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

No background papers



**PUBLIC HEALTH TRANSITION PROCUREMENT PLAN**

This Table sets out the proposed course of action for each of the current public health contract portfolio. The contracts have been reviewed by a working group of Council officers and public health managers and the following actions are recommended based on the requirement to:

1. Maintain continuity of service and protect service users
2. Protect the financial interest of the Council and observe contract law
3. Facilitate the transfer of public health functions to the Council as required by the Health and Social Care Act, 2012
4. Manage the future procurement process in a practical and timely manner

**SECTION 1 PUBLIC HEALTH AND DAAT CONTRACTS ENDING 31 3 12 BY DECISION TYPE**

The categories used below are:

- 1A EXTEND NHS CONTRACT - RE-PROCURE BY JULY 13 (6 Contracts, Value £216,125)
- 1B EXTEND CONTRACTS TO MARCH 2014 AND REPROCURE IN 2013-14 (14 CONTRACTS, value £3,373,064)
- 1C EXTEND NHS CONTRACT OR ISSUE LBTH CONTRACT AND RE-PROCURE IN 2013-14 ( up to 30 contracts, Value £2,825,085)
- 1D CURRENT CONTRACT IS WITH LBTH (10 contracts, value £1,148,774)
- 1E DISCONTINUE (10 contracts, value £194,600)

CONTRACT AREA	ANNUAL VALUE*	SERVICE	PROVIDER	CURRENT CONTRACT ON LBTH FILE	SPEC ON FILE	CONTRACT END DATE	EXTENSION CLAUSE IN CONTRACT	EU THRESHOLD	CABINET DECISION REQD	LBTH REQUIREMENT	RE-PROCURE BY:
<b>SECTION 1A ISSUE SHORT TRANSITIONAL CONTRACT AND REPROCURE BY JULY 13</b>											
Tackling Obesity	10,000	Food Growing Network Support	Womens Environmental Network	Yes	Yes	31.3.13	Yes	NO	NO	L3 - 4 Quotes	31.3.13
Mental Health Promotion	5,000	Alzheimer's Society Tower Hamlets, City & Hackney	Alzheimer's Society	Yes	Yes	31.3.13	No	NO	NO	L2 - 3 Quotes	31.3.13
Health promotion in the Community	6,000	Health Trainers Mental Health Support	East London Foundation Trust	Yes	Yes	31.3.13	No	NO	NO	L2 - 3 Quotes	31.3.13
Health promotion in the Community	6,125	Health Trainers Data Collection System	Birmingham PCT	Yes	Yes	31.3.13	No	NO	NO	L2 - 3 Quotes	31.3.13
Social marketing	69,000	EXPERIAN Segmentation (1 year)	Experian	No	No	31.3.13	NON RECURRENT	NO	NO	L3 - 4 Quotes	31.3.13
Oral Health	120,000	Community Fluoride Varnish Dental Contracts	5 dentist contracts	No	No	31.08.13	NO	NO (1 year)	NO (1 year)	L4 - 4 quotes	31.3.13
<b>TOTAL</b>	<b>216,125</b>										
<b>SECTION 1B EXTEND CONTRACTS BY UP TO 12 MONTHS AND REPROCURE IN 2013-14</b>											
Drug Treatment	503,670	Harbour Recovery Centre	Salvation Army	No	Yes	31.3.13		YES	YES	EU - Cat B	31.1.14
Drug Treatment	36,934	Intensive Substance Misuse Link	Nacro	No	Yes	31.3.13		NO	NO	L3 - 4 Quotes	31.1.14

Drug Treatment	690,377	Community Drug Team	Lifeline	No	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Drug Treatment		Island Day Programme	Rehabilitation of Addicted Prisoners Trust (RAPt)	No	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Drug Treatment	367,577 (including Changes)		Compass	No	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Drug Treatment	275,392	Isis	Barts and the London NHS Trust	No	Yes	31.3.13	NO	NO	L4 - 4 quotes	31.1.14
Drug Treatment	43,347	Specialist Midwife		No	Yes					
Drug Treatment		Specialist Substance Misuse		No	Yes	31.3.13	NO	NO	L4 - 4 quotes	31.1.14
Drug Treatment	40,000	Worker (Dellow Centre)	Providence Row	No	Yes	31.3.13	NO	NO	L3 - 4 Quotes	31.1.14
Drug Treatment	6,000	Clinical waste collection	SRCL	Yes	Yes	31.3.13	YES	YES	EU CAT B	31.1.14
Drug Treatment	368,527	Nafas	Bangladeshi Drug Project	No	Yes					
Drug Treatment	41,740	Nafas Abstinence Support Network	Bangladeshi Drug Project	No	Yes		NO	NO	L3 - 4 quotes	31.1.14
Drug interventions Programme			Rehabilitation of Addicted Prisoners Trust (RAPt)	No	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Drug interventions Programme	144,000	Prison Link Team		No	Yes					
Drug interventions Programme	20,000	SPOC freephone	Rehabilitation of Addicted Prisoners Trust (RAPt)	No	Yes	31.3.13	NO	NO	L3 - 4 Quotes	31.1.14
Drug interventions Programme	14,000	Legal Advice	Release	No	Yes	31.3.13	NO	NO	L3 - 4 Quotes	31.1.14
Young People Substance Misuse			Lifeline	Yes	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
	221,500	Young People's Substance Misuse Service		Yes	Yes					
Alcohol Treatment	600,000	Tower Hamlets Community Alcohol Team	Rehabilitation of Addicted Prisoners Trust (RAPt)	Yes	Yes	31.12.12	YES	YES	EU - Cat B	31.1.14
<b>TOTAL</b>	<b>3,373,064</b>									
<b>SECTION 1C EXTEND NHS CONTRACT AND TRANSFER OR ISSUE TRANSITIONAL LBTH CONTRACT AND REPROCURE in 13-14</b>										
Health promotion in Community		Health Trainers (including Mental Health contract) Lap	Osmani Trust	Yes	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Health promotion in Community	191,290	1/2		Yes	Yes					
Health promotion in Community		Health Trainers (including Mental Health contract) Lap	Stifford Community Centre	Yes	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Health promotion in Community	191,290	3/4		Yes	Yes					
Health promotion in Community		Health Trainers (including Mental Health contract) Lap	Bromley by Bow Centre	Yes	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Health promotion in Community	191,290	5/6		Yes	Yes					
Health promotion in Community		Health Trainers (including Mental Health contract) Lap	Poplar and Limehouse Health and Wellbeing Network CIC	Yes	Yes	31.3.13	YES	YES	EU - Cat B	31.1.14
Health promotion in Community	191,290	7/8		Yes	Yes					
Health promotion in Community	50,000	Faith in Health project	London Muslim Centre	Yes	Yes	31.3.12	NO	NO	L4 - 4 Quotes	31.3.13

Smoking cessation	395,000	Smoking cessation payments and NRT Therapy	46 Pharmacy, 8 GP Networks, 2 Community Org	Yes		31.3.13	Yes	YES	EU CAT B	31.3.13
Smoking cessation	155,000	Specialist Smoking Clinic	Smokers Specialist Clinic	Yes	Yes	31.3.13	Yes - 3 monthly	YES	EU - Cat B	31.1.14
Smoking cessation	214,521	Bangladeshi Stop Smoking service	QMUL	Yes	Yes	31.3.13	Yes - 3 monthly	YES	EU - Cat B	31.1.14
Tackling Obesity	135,000	Weight management - Children and Maternity	Bart's Health Community Services	Yes	Yes	31.03.14				31.1.14
Tackling Obesity	317,000	My Weigh - Tier 2 Community adult weight management Programme	Social Action for Health (with Bromley by Bow Centre)	No	Yes	31.3.13	No	YES	EU - CAT B	31.1.14
Tackling Obesity	224,000	Active Tower Hamlets (Jump Start)	Greenwich Leisure	Yes	Yes	31.3.13	No	YES	EU - Cat B	30.9.13
Tackling Obesity	200,000	Tier 3 adult weight management services	Barts & The London	No	Yes	31.3.13	Yes	YES	EU - Cat B	30.9.13
Tackling Obesity	64,554	PATH - Active play for children aged 5-13 and their families	Play Association Tower Hamlets	Yes	Yes	31.3.13	Yes	NO	EU - Cat B	31.12.13
Tackling Obesity	80,000	Bike It (increasing cycling in primary and secondary schools)	SUSTRANS	Yes	Yes	31.3.13	Yes	NO (MARGINAL)	EU - Cat B	31.12.13
Tackling Obesity	47,650	Active Play and Healthy Eating for children aged 0-4 and their families	Toy Libraries Association of Tower Hamlets	Yes	Yes	31.3.13	Yes	NO	L4 - 4 quotes	31.12.13
Tackling Obesity	25,000	Cook and Eat for families with children aged 0 - 4	BLT Community Nutrition and Dietetic service	Yes	Yes	31.3.13	Yes	NO	L3 - 4 quotes	31.3.14
Tackling Obesity	11,900	Food for Health wards and Buy well communications	Rice Retail Marketing	Yes	Yes	31.3.13	No	NO	L3 - 4 quotes	31.12.13
Tackling Obesity	25,000	Buy well fruit and veg scheme (convenience stores)	Rice Retail Marketing	Yes	Yes	31.3.13	No	NO	L3 - 4 quotes	31.12.13
Tackling Obesity	10,000	Can Do Community Grants - Active Lives and Healthy Eating	Bromley By Bow Centre	Yes	Yes	31.3.13	Yes	NO (BUT WILL GO TO GRANTS PANEL)	L3 - 4 quotes	TBC
Tackling Obesity	10,000	Can Do Community Grants - Active Lives and Healthy Eating	Stifford Centre	Yes	Yes	31.3.13	Yes	NO (BUT WILL GO TO GRANTS PANEL)	L3 - 4 quotes	TBC
Tackling Obesity	10,000	Can Do Community Grants - Active Lives and Healthy Eating	Osmani Trust	Yes	Yes	31.3.13	Yes	NO (BUT WILL GO TO GRANTS PANEL)	L3 - 4 quotes	TBC
Tackling Obesity	10,000	Can Do Community Grants - Active Lives and Healthy Eating	Island House Community Centre	Yes	Yes	31.3.13	Yes	NO (BUT WILL GO TO GRANTS PANEL)	L3 - 4 quotes	TBC

Cancer Early Diagnosis	32,300	Health Education through Literacy	Bromley by Bow Centre	Yes	Yes	31.3.13	Yes	NO	NO	L3 - 4 quotes	31.3.14
Cancer Early Diagnosis	20,000	Community Engagement small c	Age UK	Yes	Yes	31.3.13	Yes	NO	NO	L3 - 4 quotes	31.6.13
Cancer Early Diagnosis	10,000	Community Engagement small c	Poplar Harca	Yes	Yes	31.1.13	Yes	NO	NO	L3 - 4 quotes	31.6.13
Cancer Early Diagnosis	3,000	Community Engagement small c	Neighbours in Poplar	Yes	Yes	31.3.13	Yes	NO	NO	L2 - 3 quotes	31.6.13
Cancer Early Diagnosis	5,000	Community Engagement small c	Bromley by Bow Centre	Yes	Yes	31.3.13	Yes	NO	NO	L2 - 3 quotes	31.6.13
Cancer early Diagnosis	5,000	Increasing public awareness of cancer through pharmacies	Up to 45 Tower Hamlets community pharmacies			31.3.13	No	NO	NO	L2 - 3 quotes	31.6.13
<b>TOTAL</b>	<b>2,825,085</b>										
<b>SECTION 1D CURRENT CONTRACT WITH LBTH - NO ACTION REQUIRED</b>											
Smoking cessation	305,000	London Borough of Tower Hamlets Tobacco Control	LBTH	Yes	Yes	31.3.13	Yes	YES	NOT AT PRESENT		LBTH
Tackling Obesity	25,000	Healthy Families - building health into parenting programmes	London Borough of Tower Hamlets (Children, Schools & Families)	Yes	Yes	31.3.13	Yes	NO	NOT AT PRESENT		LBTH
Tackling Obesity	49,600	Healthy Early years accreditation scheme	LBTH Early Years Service	Yes	Yes	31.3.13	Yes	NO	NOT AT PRESENT		LBTH
Tackling Obesity	60,000	Food for health awards (cafes, restaurants and take aways)	LBTH Environmental health	Yes	Yes	31.3.13	Yes	YES	NOT AT PRESENT		LBTH
Children & Young people	242,000	Healthy Lives Team inc Healthy Eating and Alcohol Adviser	Healthy Lives (Schools) Team, LBTH	Yes	Yes	31.3.13	N/A	YES	NOT AT PRESENT		LBTH
Mental Health Promotion	40,000	Educational Psychology	Educational Psychology Team, LBTH	Yes	Yes	31.3.14	N/A	NO	NOT AT PRESENT		LBTH
Young People	205,010	Peer Led SRE in Secondary Schools and Youth and Community Settings incl ASSIST Smoking prevention and Christopher Winter proj	London Borough of Tower Hamlets	Yes	Yes	31.3.14	No	YES	NOT AT PRESENT		LBTH
Young People	92,164	ASPIRE - Preventing unplanned teenage pregnancy	London Borough of Tower Hamlets	Yes	Yes	31.3.14	No	YES	NOT AT PRESENT		LBTH
Sexual Health	50,000	Small Grants - African Communities	admin'd by LBTH	N/A	N/A	N/A	N/A	NO	NOT AT PRESENT		LBTH (GRANTS)
Sexual Health	80,000	Small Grants - gay men	admin'd by LBTH	N/A	N/A	N/A	N/A	NO	NOT AT PRESENT		LBTH (GRANTS)
<b>TOTAL</b>	<b>1,148,774</b>										

SECTION 1E DISCONTINUE PH CONTRACT											
CONTRACT AREA	ANNUAL VALUE	SERVICE	PROVIDER	CURRENT CONTRACT ON FILE	SPEC ON FILE	CONTRACT END DATE	EXTENSION CLAUSE IN CONTRACT	EU THRESHOLD	CABINET DECISION REQD	LBTH REQUIREMENT	PROCUREMENT DATE
Smoking cessation	38,000	Provision of Smoking cessation service to young people in schools	Drugs Alcohol Service for London (DASL)	Yes				NO	NO		STOP
Young People	21,600	You're Welcome	Jane Walker Consultancy	Yes	Yes	31.3.13	No	NO	NO		STOP
Tuberculosis	32,000	TB IGRA testing	The London Chest Hospital	Yes	Yes	31.3.13	No	NO	NO		CCG TO CONTINUE
Social marketing	7,000	Healthy Lifestyle	HARCA					NO	NO		STOP
Mental Health Promotion	17,000	Mental health literacy in the workplace	the Hub					NO	NO		STOP
Mental Health Promotion	7,000	Social marketing CYP mental health	No single provider			31.3.13		NO	NO		NON RECURRENT
Mental Health Promotion	15,000	Dementia intergenerational pilot	Millbank Social marketing East London Foundation Trust (pilot)			31.3.13		NO	NO		NON RECURRENT
Cancer Early Diagnosis	35,000	Early Diagnosis Elements in Network Contracts	8 primary care networks	Yes	Yes	31.3.13	NO	NO	NO		31.3.13
Cancer Early Diagnosis	15,000	Community Engagement small c	ROKO Cancer	Yes	Yes	31.3.13	Yes	NO	NO		31.6.13
<b>TOTAL</b>	<b>194,600</b>										
<b>OVERALL TOTAL</b>	<b>7,757,648</b>										

**SECTION 2 OTHER CONTRACTS FOR LOCAL AUTHORITY PUBLIC HEALTH RESPONSIBILITIES**

SECTION 2A CONTRACTS THAT CONTINUE BEYOND 31.3.13 - NOVATE TOWER HAMLETS APPROPRIATE ELEMENTS TO LBTH											
CONTRACT AREA	ANNUAL VALUE	SERVICE	PROVIDER	CURRENT CONTRACT ON FILE	SPEC ON FILE	CONTRACT END DATE	EXTENSION CLAUSE IN CONTRACT	EU THRESHOLD	CABINET DECISION REQD	LBTH REQUIREMENT	PROCUREMENT DATE
<b>Community Services</b>											
Block	218,692	Breastfeeding Support Workers	Bart's Health Community Services	Yes		31.03.14		YES	YES	EU - Cat B	31.1.14
Block	804,353	School Nursing	Bart's Health Community Services	Yes		31.03.14					31.1.14
Block	1,636,605	Sexual Health Service	Bart's Health Community Services	Yes		31.03.14					31.1.14
Block	289,000	Activ8	Bart's Health Community Services	Yes		31.03.14					31.1.14
Block	130,000	UNICEF Baby Friendly	Bart's Health Community Services	Yes		31.03.14					31.1.14
Block	33,000	Psychology for Activ8	Bart's Health Community Services	Yes		31.03.14					31.1.14
Block	148,500	PH Dieticians (2 WTE ) plus School Nutritionist (0.5 WTE) - all Band 7	Bart's Health Acute Services	No - requested		31.03.14					31.1.14

Block	100,000	Alcohol Nurse Specialist Service	Bart's Health Community Services	Yes	31.03.14				31.1.14
TOTAL	3,360,150								
<b>Acute Services</b>									
Block	4,156,047	Sexual Health - GUM	Bart's Health Acute Services	No - requested	31.03.14				31.1.14
TOTAL	4,156,047								
<b>East London Foundation Trust</b>									
	771,585	Specialist Addiction Unit	ELFT	Yes	31.03.14	YES	EU CAT B	YES	31.1.14
	218,385	Specialist Addiction Unit	ELFT	No					
	80,000	Blood-borne virus service	ELFT	No					
	125,202	Blood-borne virus service	ELFT	No					
	385,420	Dual Diagnosis Service	ELFT	No					
TOTAL ELFT	1,580,592								

NB: Whilst BBV and SAU are included in the ELFT contract, all BBV funding and some SAU funding is outside of the overall contract and invoiced separately. Dual Diagnosis has a new service spec but does not seem to be

**2B TOWER HAMLETS SEXUAL HEALTH CONTRACTS THAT END BY 31.3.13 - EXTEND NHS CONTRACT AND TRANSFER OR ISSUE TRANSITIONAL LBTH CONTRACT AND ADD TO BART'S HEALTH CONTRACT IF STILL REQUIRED**

Sexual Health	110,872	Chlamydia and Gonorrhoea Te	Bart's Health	Yes	31.1.13	YES	EU Cat B	YES	31.3.14
Sexual Health	62,000	TH cash additional clinics	Bart's Health	Yes	31.1.13	YES	EU Cat B	NO	31.3.14
Total	172,872								

**2C PRIMARY CARE CONTRACTS THAT END 31.3.13 - RECOMMISSION THROUGH CCG COMMISSIONING SUPPORT SERVICE**

<b>Primary Care</b>									
Primary Care - Sexual Health	241,993	GP LES	GP APMS	No - requested	31.03.13	YES			
Primary Care - Healthchecks	206,887	GP LES	GP APMS	No - requested	31.03.13	YES			
Primary Care - Tobacco	290,000	GP LES	GP APMS	No - requested	31.03.13	YES			
Primary care - Drug Treatment	260,000	Substance Misuse NIS	GP APMS	Yes		YES			
Primary care - Alcohol Treatment	121,400	Alcohol NIS	GP APMS	Yes		YES			
Primary care - Drug Treatment	122,000	Specialist Substance Misuse Provision	Health E1	No		YES			
Primary care - Drug Treatment	210,000	Supervised Consumption	Community Pharmacy Enhanced Service	Yes		YES			
Primary care - Drug Treatment	20,000	Needle Exchange Scheme	Community Pharmacy Enhanced Service	Yes		YES			
Primary care - Sexual Health	145,891	Emergency Contraception	Community Pharmacy Enhanced Service						
Drug Treatment	13,000	Substance Misuse Clinical Lead	PCT employee	Permanent employment contracts		N/A	N/A	N/A	N/A



This page is intentionally left blank



# Agenda Item 8.1

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 63/123
<b>Report of:</b> Corporate Director Children, Schools & Families  <b>Originating officer(s)</b> Pat Watson, Head of Building Development		<b>Title:</b> Bonner Primary School – Proposed Expansion  <b>Wards Affected:</b> Mile End & Globe Town, Mile End East	

<b>Lead Member</b>	Cllr Oliur Rahman
<b>Community Plan Theme</b>	A Prosperous Community
<b>Strategic Priority</b>	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. It is proposed that Bonner School should be enlarged by operating at a second site, the existing Professional Development Centre (“PDC”), English Street, E3.
- 1.2 The report explains that parts of the PDC are currently occupied by the University of Cumbria (“the University”) and by employees of the Council
- 1.3 The report requests authority for the Council to negotiate and agree with the University either the basis on which the University may share the PDC with the proposed enlarged Bonner Primary School or the relocation of the University to alternative premises elsewhere in the locality
- 1.4 This report explains that it is proposed that the services provided by the Council at the PDC, including the Schools Library Service, will be relocated to the Bethnal Green Centre, 229 Bethnal Green Road London E2.

## 2. DECISIONS REQUIRED

The Mayor in Cabinet is recommended to:-

- 2.1 Note the contents of this report;
- 2.2 Agree that statutory proposals should be published for the enlargement of Bonner Primary School to admit 120 pupils in each year from September 2013.

- 2.3 Authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor and the Assistant Chief Executive (Legal Services), to negotiate and agree such terms (including, in either case, the payment of appropriate financial compensation), as will enable the proposed extension to Bonner Primary School either to share the PDC with the University until 2018, or for the University to vacate those parts of the PDC which it occupies and move into alternative premises.
- 2.4 Authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor and the Assistant Chief Executive (Legal Services) to negotiate and agree with the University such terms for the University's continued occupation of the PDC as will enable the University to continue to enjoy its current use of the PDC in a manner which is consonant with the University's reasonable expectations including (without prejudice to the generality of the foregoing), teaching both undergraduate and post-graduate students in an environment not inimical to academic study.
- 2.5 Authorise the Acting Corporate Director Children Schools and Families after consulting the Assistant Chief Executive (Legal Services) to take such steps as are necessary in the planning and design process to ensure that the Council is enabled fully to comply with its legal obligations relating to the safeguarding of children.

### **3. REASONS FOR THE DECISIONS**

- 3.1 Proposals have been developed to expand Bonner 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.
- 3.2 Although decisions were taken on the PDC in September of this year, by the Mayor in Cabinet, the University has since issued court proceedings against the Council, seeking judicial review of those decisions and alleging that they were invalid.
- 3.3 Without making any concessions as to whether there is any basis for the legal proceedings, it is considered sensible that the decisions should be considered afresh and that explicit consideration should be given to the University's concerns.

### **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 6.6 to 6.24 of the report.

## **5. BACKGROUND**

- 5.1 On 5 September 2012 the Mayor in Cabinet received a report Planning to Meet the Growth Requirement for School Places 2012 – 2022. This set out the projected need for school places and actions in place to meet the need. There is a steeply rising need for additional primary and secondary school places.
- 5.2 At the same meeting, a report on the CSF Capital Programme included recommendations for implementing some schemes to provide additional school places. This included the recommendation that the use of the Professional Development Centre (PDC) in English Street, E3 should be changed to allow use as school accommodation. Following a review of the Council's own assets that could be used to provide additional school places, the PDC has been identified as a building that can accommodate 2 forms of entry (60 places per year) of primary provision. It is in an area of the borough where there is significant pressure on school places and some families have to travel some distance to obtain a school place. It is proposed that this additional capacity should be opened by expanding Bonner School.
- 5.3 Bonner School at present admits 60 pupils in each year group (2 forms of entry) and has a maximum capacity of 420 pupils. The proposed additional capacity at the PDC will allow the school to expand to 120 places in each year group. The PDC site will be in the new Bow South school catchment so families living in the local area will have priority for admission.
- 5.4 Preliminary consultation has taken place on the proposal to expand the school at the PDC site. 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. 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 6.27, taking into account the legal requirements of the consultation and decision-making process.
- 6.5 It is open to the LA, where suitable, to propose that an expansion of a school can be implemented by creating a second site for an existing school, depending on the circumstances of the additional site under consideration, its location, and a suitable school to undertake the expansion. The LA can make such a proposal with a successful school with effective leadership and standards of achievement, not necessarily the existing school closest to the expansion site in question. This kind of expansion on a split site arrangement is being implemented elsewhere in London and would operate on a similar basis to the existing model of a federated school. This offers considerable advantages to the new provision as it can benefit from the established and experienced management and staff of an existing school. This approach is proposed for the extra capacity at the PDC.

### **THE NEED FOR ADDITIONAL PRIMARY SCHOOL PLACES**

- 6.6 The report referred to above, Planning to Meet the Growth Requirement for School Places 2012 – 2022, included details of the need for additional primary school places and options considered to meet the need.
- 6.7 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.
- 6.8 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. Options continue to be developed to meet the steeply rising need for additional places.
- 6.9 The position for the current year and in the medium term is as follows:

	Places available 2012/13	
Reception	3,416	
	January 2013 projected roll	January 2015 projected roll
Reception	3,370	3,537
Total R-Y6	21,563	23,629

### **IDENTIFICATION OF POTENTIAL SITES FOR EXPANSION**

- 6.10 The report Planning to Meet the Growth Requirement for School Places 2012 – 2022 identified the steps taken to identify options for additional capacity. 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 a number of primary schools and further options will continue to be investigated.

- 6.11 The option for the PDC site arose out of a review of other assets owned by the Council and consideration of their suitability for alternative use. The PDC is a former school site so can be brought back into use in a relatively straightforward manner and is in a good location to meet local need.

### **The PDC**

- 6.12 The present use of the building is as a professional training resource principally for the schools and children's services workforce in the borough. It is a venue for professional training for teachers and other staff working in schools and other centres, and a base for some Council staff providing services to schools. It is also used for various other meetings, training sessions and conferences. The majority of these services are operated by the Council. The report to Cabinet on 5 September gave details of the proposal to relocate the Council's users to the Bethnal Green Centre and a capital estimate was adopted to fund the required works.
- 6.13 Part of the PDC is occupied by the University (formerly St Martin's College). The University provides teacher training at this site for both undergraduate and postgraduate students. Many of these students are residents of East London and do have some placements in primary schools in Tower Hamlets as part of their courses.
- 6.14 A plan of the PDC is attached as Appendix B to the report. Members are referred to the plan, on which Blocks A, B and C are shown. On 27<sup>th</sup> April 2009, the Council granted the University a lease of a small number of rooms in Block A for a term expiring in 2018 ("the Lease"). Some of the rooms granted by the Lease have since been surrendered and the University has certain shared rights in Block A.
- 6.15 The University also has a monthly oral tenancy of Block C which has an appurtenant right to choose two further rooms in Block A on a daily basis. The space occupied by the University in Block A is approximately 15% of the total area of Block A (excluding staircases, toilets, etc).
- 6.16 From early 2012, contact was made with the University for informal discussions about the proposal and whether there might be opportunities for alternative accommodation to be agreed. So far none of the proposals made by the Council of alternative sites to which the University might locate has been acceptable to the University. Consideration has been given by the Council in developing the proposal to the implications of shared use of the site by a school and other adult, non-school activities.
- 6.17 Development of the proposals for school use of the PDC, considering both the implementation of works and the operational use, has been on the basis of some sharing of accommodation with the University in the years where the school roll would not require the full capacity of the site. This takes into account the term of the Lease and the fact that the Lease cannot be terminated by the Council prior to its expiry in 2018. The works have been

planned to ensure that disruption is minimised as far as possible and to maintain safety for occupiers of the site.

- 6.18 The first phase of works and accommodation to be brought into use relates only to Block B, a detached building within the site that has been vacant for a number of years. Those works began in November 2012.
- 6.19 When classes of children occupy space in Block A, alterations to the building and management arrangements will be put in place to maintain separation of the school and University activities on separate floors of Block A. Students attending the University and members of the University's staff will not be able to have unsupervised access to children, who will always be under the supervision of teachers and other school staff. There will be no shared use of any facilities between those attending the school and those attending the University and the children will be taught on different floors of Block A from the University's students.
- 6.20 The use of the external areas of the PDC for car parking will be reduced and then removed to create external play area for the children. The children's external play area will be separately fenced and not accessible to the University's students and staff. There will be separate access to the PDC site for the school and for the University's staff and students. There will also be separate access to and egress from Block A for the children and the University's students and staff. Existing facilities (other than the Schools Library Service) used by the University's students, such as the canteen, will be re-provided for their use within the site. With these arrangements in place, the Council will be able to ensure that its duty under section 175 of the Education Act 2002 to make arrangements for ensuring that its educational functions are exercised with a view to safeguarding and promoting the welfare of children is fulfilled.
- 6.21 The Council's proposals for sharing the site with the University will be designed so as not to impact upon the University's ability to teach its students in an environment which is conducive to academic study. Although the Council proposes to relocate the Schools Library Service to the Bethnal Green Centre, arrangements will be made to enable the students and staff of the University to continue to use that service in its new location. It should be noted that the Lease in fact excludes any entitlement on the part of the University to use any library facilities. However, the Council will continue to make the facilities currently available to the University available at the Bethnal Green Centre.
- 6.22 In view of these considerations it was determined, in consultation with the Headteacher of Bonner School, that the phased approach to works and occupation of the PDC could be managed and allow effective operation of the school without any breach of the rights enjoyed by the University as occupier of part of the PDC.
- 6.23 The need to agree financial compensation to the University in the event of its vacating the site prior to the expiry of the Lease is accepted and would be subject to negotiation. The preferred option for the Council would be to reach a negotiated solution with the University for it to relocate to alternative premises with the assistance of the Council.

- 6.24 Successful implementation of the works and the school use in conjunction with continued occupation by the University will require the Council to take full account of the University's rights as tenant of parts of the site. If the University is able to establish any breach of these rights, it is recognised that circumstances may arise in which financial compensation may be appropriate, subject to negotiation. Further it appears that it will be necessary to ask the University temporarily to move within Block A to facilitate carrying out the works on the first floor and above of Block A.

### **Bonner School**

- 6.25 Bonner School was identified as the most suitable school to operate this additional capacity. The school is a very popular with parents and is rated as 'Outstanding' by Ofsted. The government encourages such schools to expand so that more pupils can benefit from the school's teaching. The PDC site will operate as an annexe of Bonner School and be known as Bonner Mile End. The governing body of Bonner School strongly supports the proposal.
- 6.26 Having regard to all these factors, expansion at Bonner School by use of the PDC site is considered a suitable option as set out below.
- 6.27 The necessary works at the PDC site have been designed and planning approval, including listed building consent, has been obtained. The PDC site will operate as a self-contained two form entry school and the two sites will be in separate school catchment areas in order to give priority to the families local to each site. The Headteacher will manage both sites and work together with staff to ensure the best practice of Bonner School works across all classes. Bonner School does not have a nursery class at the existing site but there will be 2 nursery classes at the Mile End site.

### **Implementation of the Expansion**

- 6.28 It is proposed that the increase should take effect from the school year 2013/14 subject to the approval of the statutory proposals. This means that the first increased year group of 120 will be admitted in September 2013. It is proposed to admit the extra pupils to the Mile End site of the school at reception year only until all year groups are full to four forms of entry.
- 6.29 As an interim measure, places will be available at the Mile End site in temporary accommodation for Reception year during the current school year as a temporary increase and pending completion of all required works.

### **CONSULTATION**

- 6.30 The initial consultation period was from 1 October to 10 November 2012. 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 Bonner School
  - all parents receiving the booklet Starting School in Tower Hamlets
  - all staff at Bonner School
  - all governors of Bonner 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

6.31 Consultation meetings were held at the school and at the PDC to discuss the proposals with parents and prospective parents local to the PDC site.

6.32 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:

For	Against
66	3

6.33 The response from parents who attended the meetings was positive. Parents living in the Mile End area welcomed the proposal to create additional school places in the area and recognised that Bonner is a successful school. Parents of children already at Bonner School generally supported the proposal but there were some concerns about the capacity of the Headteacher to work across both sites. The Headteacher assured parents at the meetings about the additional capacity being created to manage the extra provision.

6.34 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 FOR BONNER SCHOOL**

6.35 The outcome of the consultation has been reviewed and there is support for the proposals.

6.36 The Mayor in Cabinet is recommended to agree to publication of statutory proposals for the expansion of Bonner Primary School. The statutory proposals will be published in East End Life and made available at the school and the PDC site. Any comments or representations on the proposals should be submitted to the Council by the end of the four week period. The University may submit comments at this stage if it wishes to do so.

6.37 If there are no objections to the statutory proposals in the four week period, the decision to implement will be dealt with by the Corporate Director, Children, Schools & Families in accordance with the scheme of delegation. If there are objections to the proposals, the decision will be referred to Cabinet.

6.38 The timetable for the process is set out below:

Cabinet receives a report on the initial consultation and decides on publishing formal statutory proposals	9 January 2013
--	----------------



Statutory proposals published with 4 weeks allowed for comments	21 January – 15 February 2013
The decision will be taken to implement the proposals either by the Council's Cabinet if there are objections; or, if there are no objections, by the Corporate Director of Children, Schools & Families	By 12 April 2013
Additional pupils admitted to Reception year	September 2013

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 This report concerns the formal process for consulting about and deciding on the expansion of Bonner School. The capital works are due to cost £5.0m in total. The £5.0m is reflected in the CSF capital programme, as approved at Cabinet on 5 September 2012. At the same time, Cabinet approved a capital estimate of £2.3m for the works to relocate the existing users of the PDC to the Bethnal Green Centre. These capital costs are met from DfE capital grants.
- 7.2 Future revenue costs of the expanded school will be funded through the schools enrolling more pupils and attracting more formula funding through the Dedicated Schools Grant.
- 7.3 Recommendation 2.3 above indicates that a financial consequence of the negotiations with the University of Cumbria could be the payment of financial compensation. At this stage, it is not known whether any compensation will be appropriate and, therefore, how much it might be. It would be expected that any compensation would be within the limits of Corporate Director delegated powers and in such a case, any costs would be met from the Early Intervention Reserve, managed by the Corporate Director for Children, Schools and Families. Sufficient funds are available within that reserve to meet such a cost, but this would have the effect of reducing the availability of funding for additional capital projects. Should such costs exceed the limits of the Corporate Director's delegated powers, officers would have to seek Cabinet endorsement for the proposal and identify how the overall costs would be funded.

## **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.

- 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.
- 8.4. In carrying out its functions to make prescribed alterations to Bonner Primary School, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Some form of equality analysis will be required and officers will have to decide how extensive this should be.
- 8.5. As has been mentioned earlier in this report, the University has issued proceedings for judicial review of the decisions taken by the Mayor in Cabinet in September 2012. The Council denies that any of those decisions was invalid, but now has an opportunity to consider these matters afresh while taking explicit note of the points raised by the University. The approach adopted will also enable the Council to discuss potential alternative accommodation options with the University.
- 8.6. It is considered that none of the Council's proposals amounts to a breach of the University's rights as occupier of part of the PDC. In particular, provided proper design, and adequate preventative steps are taken, the proposed development should be possible without breaching any term for quiet enjoyment.

**9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1. The expansion of school is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within the meaning of the Equality Act 2010).

**10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1. The design of the building and materials proposed to be used for works to the PDC site have taken account of sustainability and energy efficiency. Products to be chosen will offer significant energy saving values; insulation products that have an approved environmental profile; and timber from certified sustainable sources.

**11. RISK MANAGEMENT IMPLICATIONS**

- 11.1. The project at has a high capital value and close monitoring of the project through the preparatory stages has been 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 A – Bonner School Consultation Document  
Appendix B – PDC site plan

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

**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.
Planning to Meet the Growth Requirement for School Places 2012 – 2022 Cabinet 5 September 2012	Pat Watson 020 7364 4328

## CONSULTATION ON NEW SCHOOL PLACES FOR THE MILE END AREA BONNER SCHOOL AT MILE END

More school places are needed in Tower Hamlets. The Council is proposing to make more school places at English Street, E3. From September 2013 there will be 60 places each year for children at Reception.

The new places will allow Bonner Primary School to expand. The Mile End site will be part of Bonner School which will expand from 60 places each year to 120 places each year. The existing school and the Mile End site will work together under the same Headteacher but children will have all their classes at one site only.

Bonner is an outstanding school and this expansion will enable more children to benefit from the excellent work of the school in providing a really good start for children from Reception up to year 6 (age 4/5 to 10/11 years).

The building which is now the Professional Development Centre in English Street will be converted to provide school places for local children. Eventually there will be space for 420 children and two nursery classes. The building was previously a school. Works will be carried out to the building to create excellent new classrooms and facilities for the children.

Bonner School, Mile End will be in the new 'Bow South' school catchment so applications from families living in this area will be given priority. To find out more about the new school catchment areas, please see the guidance on page 14 in the Starting School in Tower Hamlets brochure. You can also visit the website: [www.towerhamlets.gov.uk/equalchance](http://www.towerhamlets.gov.uk/equalchance).

We would like to know your views about this proposal for expanding Bonner School. **You can drop in to the Centre in English Street to find out more on 9 October 2012 either from 10.00am to 11.00am or from 6.00 pm to 7.00 pm.** Please see map with directions on the next page.

The Council and the school governors are consulting parents in the Mile End area, parents of children already at Bonner School, staff of the school and other interested parties about the proposals.

Let us know your views by 10 November by coming to one of the meetings, by email to [pat.watson@towerhamlets.gov.uk](mailto:pat.watson@towerhamlets.gov.uk) or by filling in the form over the page. After this consultation, a formal decision will be taken by the Council.

PDC in ENGLISH STREET E3 4TA



# PROPOSAL TO EXPAND BONNER PRIMARY SCHOOL

## CONSULTATION ON THE PROPOSED EXPANSION OF BONNER SCHOOL AT MILE END

	Please tick as appropriate
I agree with the proposal to expand the school	<input type="radio"/>
I do not agree with the proposal to expand the school	<input type="radio"/>

Other comments

--

Are you a:

Parent	<input type="radio"/>
School Governor	<input type="radio"/>
School Staff	<input type="radio"/>
Other	<input type="radio"/>
If Other, please specify.....	

NAME	
ADDRESS	
DATE	

**Disclaimer: Your Name and Address will only be used for the purpose of contacting you with regards to this consultation.**

Please return this page by 10 November 2012 to:

Pat Watson, Head of Building Development, Children, Schools & Families, Town Hall, Mulberry Place, 5 Clove Crescent, E14 2BG, or  
 e-mail to: [pat.watson@towerhamlets.gov.uk](mailto:pat.watson@towerhamlets.gov.uk)

# Agenda Item 9.1

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 64/123
<b>Report of:</b> <b>Corporate Director: Stephen Halsey</b>		<b>Title:</b> The Violence Against Women and Girls Plan	
<b>Originating officers:</b> Emily Fieran- Reed, Head of Community Safety and Sharmeen Narayan, Domestic Violence & Hate Crime Manager		<b>Wards Affected:</b> All wards	

<b>Lead Member</b>	Councillor Ohid Ahmed
<b>Community Plan Theme</b>	Safe and Cohesive
<b>Strategic Priority</b>	Violence against Women and Girls

## 1. **SUMMARY**

1.1 This is Tower Hamlets first 'Violence against Women & Girls' Plan which is a development of the Domestic Violence Action Plan. The VAWG Plan consolidates the activities undertaken by the Council and its key partners in addressing violence against women and girls by promoting joint planning and implementation, raising awareness of the issues, promoting safeguarding processes and delivering support.

1.2 The VAWG Plan reflects the Council's continued commitment to identifying and challenging gender specific violence and providing effective support and advocacy for survivors and their families. The Plan, which reflects the fact that 97% of all reported gender specific violence in the Borough is against females, highlights the following types of violence that the borough is committed to addressing:

- Rape and sexual violence**
- Domestic Violence**
- Human Trafficking**
- Prostitution and Sex working**
- Sexual Exploitation**
- Gang related (criminal) initiation practises for women and girls**
- Female Genital Mutilation**
- Forced Marriage**
- Honour based violence**
- Dowry related abuse**
- Harassment**
- Stalking**

- 1.3 A newly appointed VAWG Plan Manager will be responsible for leading the Plan and supporting organisations to fulfil their responsibilities set out in the VAWG Action Grid.
- 1.4 This is a partnership document and the VAWG Plan reflects the Partnerships commitment to addressing all gender specific violence & abuse against women.
- 1.5 We have consulted extensively with statutory and voluntary services, community organisations, schools and faith groups to promote the purpose of the Plan and encourage organisational and service user feedback in response to it.

## 2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to –

- 2.1 Agree the Violence Against Women and Girls Plan as set out in Appendix 1.
- 2.2 Consider the equality analysis in Appendix 2.
- 2.3 Note that the Violence Against Women and Girls Plan has been prepared with the Council's major partners to be the appropriate detailed service and partnership framework for addressing all forms of violence against women and girls within the Borough.

## 3. **REASONS FOR THE DECISIONS**

- 3.1 Addressing violence against women & girls is already recognised as a priority area regionally, nationally & internationally. The UN declaration on the Elimination of Violence Against Women was adopted by the General Assembly in 1993. This was followed by a resolution of intensification of efforts to eliminate all forms of violence against women in 2009.
- 3.2 In 2010, the Mayor of London published 'The Way Forward', a London-wide plan aimed to end all forms of violence against women in the capital. In 2011 the coalition government published its 'Call to end violence against women & girls' which outlines the responsibility of local authorities to co-ordinate their response to VAWG issues.
- 3.3 The Mayor of Tower Hamlets has been proactive in supporting work in this area and it forms part of the Mayors priority to drive down violent crime in the Borough. Tower Hamlets VAWG Plan takes a pro-active partnership approach to addressing this problem and makes a strong statement about the Council's commitment to safeguarding adults & children & pursuing gender equality.

## 4. **ALTERNATIVE OPTIONS**

- *Do not have a VAWG Plan.* This would result in fragmented service planning between partners, duplication, lack of focus and inefficient use of



scarce resources by all of the key partners engaged in reducing violence against women and girls.

- *Do not agree this plan but ask for a different plan with different priorities.* This plan has been prepared in close consultation with all of the Council's major partners engaged in reducing violence against women and girls. As such it represents a shared platform of joint priorities that best reflect the way to maximise cross sector and organisation impact. The Plan has been based on established Council priorities to date and such a decision would cause significant delay to the process of joint planning and the achievement of more effective outputs for the Women and Girls at risk in the Borough.

## **5. BACKGROUND**

- 5.1 The Violence Against Women and Girls Plan is a development of the existing Domestic Violence Action Plan and builds upon the recognition between partner organisations that success in combating this problem requires agencies to work more effectively together. The need for a plan that achieves this is especially significant in the current economic climate where there have been substantial cuts in funding to relevant support services across the Public Sector including Women's refuges and Legal Aid. The forthcoming welfare benefit reforms which are due to commence on 1<sup>st</sup> April 2013 will also increase the challenges faced by survivors of violence in securing access to safe accommodation at an affordable rent close to their jobs, social or family support networks or their children's schools.
- 5.2 Faced with increasingly difficult choices resulting from the above reforms there is a clear risk that higher numbers of Women may choose to remain living in situations where they and their children continue to be at further risk of violence.
- 5.3 The VAWG Plan brings key local partners together to minimise the adverse impact of the economic environment and welfare reforms on critical support areas for women and girls at risk whilst increasing efficiency and promoting more effective joint planning and delivery. The last 12 months have seen the setting up of the boroughs Domestic Violence One Stop Shop, The HPU Domestic Violence Service and a Domestic Violence Service at the Barkentine Medical Centre. These services have been developed to include support and advice addressing all VAWG related issues

## **6. BODY OF REPORT**

- 6.1 The Plan takes forward a dialogue with Community Groups and Service users that started with a comprehensive consultation exercise in 2010/11 and continued until September 2012.
- 6.2 Formal consultation has taken place with the Safeguarding Boards and the Domestic Violence Forum and informal consultation has taken place with key partner individuals. It has been approved by the Safeguarding Adults Board,

Children's and Domestic Violence Safeguarding Board, the Domestic Violence Forum, No place for Hate Forum and endorsed by the Community Safety Partnership. All agencies have demonstrated a commitment to further developing and implementing the actions set out within it.

6.3 Consultation has also been completed with Public Health, The Children's Partnership Board, Supporting People and The Homeless and Hostel Boards.

6.4 A VAWG service user involvement initiative is also under development to further ensure that service user experiences and opinions form part of an on going feedback processes with wider feedback reviewed on a quarterly basis.

6.5 The Plan has 4 core objectives:

- Developing further understanding of the VAWG plan & its impact
- Prevention of VAWG
- Identifying appropriate support & protection for women & children
- Holding perpetrators accountable for their actions

6.6 Contained within the Plan is an action grid setting out how the Council and key partner agencies and organisations will work together to better address VAWG issues. It includes future work plans and outcomes for the next 12 months. The content has been agreed by the Partnership agencies that have engaged in the development of the Plan and reflects the breadth of interventions necessary to address the complex range of issues that VAWG presents.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

7.1 Council agreed at its meeting on 22<sup>nd</sup> February 2012 to allocate £50,000 to fund the VAWG Plan manager post. Resources have been identified to fund the post for three years and have been included within Communities, Localities and Culture base budget. The Plan manager post will not start till midway through the current financial year and therefore will run past the 31st March 2015 the budget will need to be amended to reflect this.

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

8.1 The Violence Against Women and Girls Plan sets out how the Council proposes to deliver on a key element of its crime and disorder reduction strategy, adopted pursuant to section 5 of the Crime and Disorder Act 1998. The Council's strategy for preventing violence against women and girls is aligned with its commitment in the Tower Hamlets Community Plan to achieving One Tower Hamlets.

8.2 The actions set out in the draft plan appear capable of being carried out within the Council's statutory functions. Officers will need to ensure this is the case as final actions are planned and implemented.

- 8.3 Before adopting the plan, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Section 9 of the report and the equality analysis in Appendix 2 provide information relevant to these considerations.
- 8.4 Some of the actions proposed as part of the Violence Against Women and Girls Plan are specifically targeted at women and girls. This is reflective of the evidence available to the Council, which is reported in the equality analysis, that 97% of victims in Tower Hamlets are female. Section 158 of the Equality Act 2010 permits a limited range of positive action. The section applies where –
- persons who share a protected characteristic (such as gender) suffer a disadvantage connected to the characteristic,
  - persons who share a protected characteristic have needs that are different from the needs of persons who do not share it, or
  - participation in an activity by persons who share a protected characteristic is disproportionately low.
- 8.5 In those circumstances, action may be permitted which is a proportionate means of –
- enabling or encouraging persons who share the protected characteristic to overcome or minimise that disadvantage,
  - meeting those needs, or
  - enabling or encouraging persons who share the protected characteristic to participate in that activity.
- 8.6 Some of the actions proposed as part of the Violence Against Women and Girls Plan may not be specifically targeted at persons who share a protected characteristic (such as gender), but may in fact result in services being delivered in a way that benefits such people (e.g. women and girls). Such indirect discrimination would not be unlawful if it is a proportionate means of achieving a legitimate aim. There is a good argument that: (a) combating violence against women and girls is a legitimate aim for reasons set out in the report; and (b) that the actions proposed in the action plan are proportionate means of achieving that aim.

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 The Violence Against Women and Girls Plan seeks to address significant levels of gender specific violence which are currently a significant contributor

to the overall levels of Violent crime in the Borough. It is important to note that The Domestic Violence Team provide advice, support and services to all survivors of domestic and gender specific violence including men. The VAWG Plan seeks to address the substantial imbalance in the pattern of gender specific violence which is significantly towards women and girls by reducing the incidents and supporting the survivors of it.

9.2 The equality analysis in Appendix 2 sets out how the protected characteristics identified in the Equality Act 2010 have been taken into account in formulating the Violence Against Women and Girls Plan. This has led to some action being targeted in ways which may affect persons who share specified protected characteristics. In each instance the proposed measures are considered to be proportionate means of combating violence against women and girls. Overall the equality analysis concludes that the impacts of the plan by reference to the protected characteristics will be positive.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

10.1 There are no relevant implications for the above.

## **11. RISK MANAGEMENT IMPLICATIONS**

There are no relevant implications for the above.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

The VAWG plan seeks to proactively address issues related to crime and disorder in the following ways:

- Increase safety planning to survivors of violence, thereby minimising future risk
- Identifying appropriate protective measures for women and children through service provision and strong safeguarding practises
- Increased advocacy for survivors of abuse within the criminal justice system
- Hold perpetrators of violence accountable for their actions (For example, by promoting increased reporting of incidents/crime, encouraging agencies to take proactive measures against perpetrators of abuse and providing increased support for perpetrators to address their offending behaviour)

## **13. EFFICIENCY STATEMENT**

The Council has provided additional funding for a 3 year VAWG manager post. All relevant council services will be utilising existing budgets to deliver the relevant actions outlined in the plan. The Plan maximises joint planning and delivery with partners in this policy area and as such supports efficient use of resources.

**14. APPENDICES**

Appendix 1 – Violence Against Women and Girls Plan  
Appendix 2 - Equality Analysis

---

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

Brief description of “background papers”      Name and telephone number of holder and address where open to inspection.

**None**

**N/A**

This page is intentionally left blank

London Borough of Tower  
Hamlets

# **Violence against Women and Girls Plan 2012-2015**

## The Mayors Forward

As the Mayor of Tower Hamlets, I have the opportunity to make a real difference to the lives of all those who work, live and visit our exciting and diverse borough. I am pleased to present this partnership Tower Hamlets Violence against Women and Girls Plan, which contributes significantly to my Mayoral priority of making our borough a safer place to live.

This Plan has been developed as a result of the culmination of work over the last two years with individuals, organisations and survivors of violence and I would like to thank all of those who have contributed to this important agenda. The safety of the community can only be achieved through the kind of coordinated multi-agency approach that this Plan outlines. I look forward to seeing partners from the voluntary and statutory sectors contributing to the delivery of the Plan and utilising it to improve the services they provide.

Violence against women and girls has a devastating impact on victims of crime and their families, friends and community. Seeking help or disclosing violence is extremely difficult for victims and in some cases, can increase the risk of further violence.

Tower Hamlets has already demonstrated a strong commitment to providing a co-ordinated response to domestic violence. Our provision of a Specialist Domestic Violence Court with a dedicated LBTH co-ordinator is one example. Another is the recently established 'Domestic Violence One Stop Shop' led by the Police and coordinated with the Council and other partners. I will ensure that Tower Hamlets continues to lead the way in tackling violence against women and girls.

The Plan sets out four important objectives for our borough – to develop a better understanding of violence against women and girls and its impact in our borough, to intervene early in ensuring violence is prevented wherever possible, to support and protect victims, and to hold perpetrators to account. Challenging the attitudes, behaviours and practices that allow Violence against Women and Girls to prevail is also key to this Plan.

My commitment to eradicating violence against women and girls is echoed by leadership of this agenda at all levels throughout this Plan and it highlights the absolute importance of all our roles in providing an immediate and appropriate response to Violence against women and girls.

Lutfur Rahman



## Deputy Mayors Forward

Community safety remains the biggest concern for residents of Tower Hamlets and as the lead member for Community Safety, I welcome all initiatives to support women and girls who are at risk of or who are experiencing violence.

The Violence against women and girls Plan is a partnership Plan and is reflective of concerns that residents have raised within the borough. The action plan seeks to draw the highlighted areas of risk together and provides recommended actions for both statutory & voluntary agencies.

The Plan will commence in 2012 and run for 3 years. It will be reviewed every three months to ensure that the action plan is updated and to reflect the needs of the community and any issues that impact on Community Safety within the borough.

I look forward to working with the Community Safety Partnership to develop this important and proactive piece of work.

Cllr Ohid Ahmed

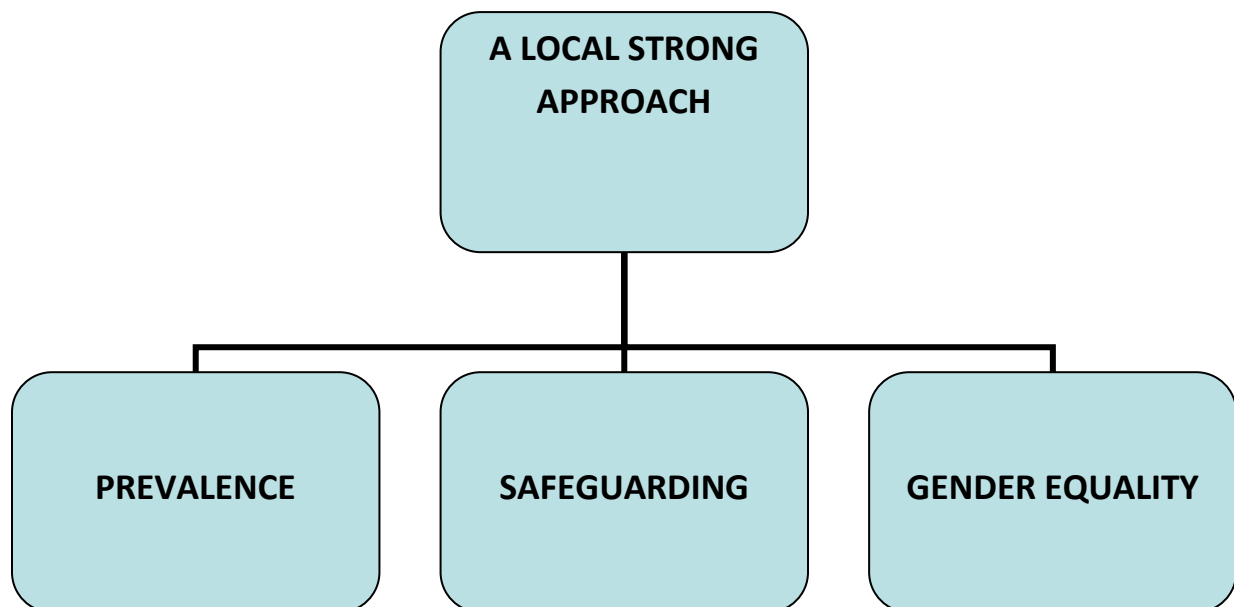
Deputy Mayor of Tower Hamlets, Lead member for Community Safety

## **Introduction**

This is Tower Hamlets' first Violence against Women and Girls plan. The plan builds upon and provides a new direction for current work in Tower Hamlets, particularly work around domestic violence. It clearly states the borough's commitment to addressing all gender specific abuse and violence. By adopting this plan, the partners who will be responsible for delivering against it are making a high level commitment to the Violence against Women and Girls agenda and to ensuring that it is given a high priority within their organisation.

Tackling violence against women and girls is already recognised as a priority area internationally, nationally and regionally. The United Nations Declaration on the Elimination of Violence against Women was adopted by the General Assembly in 1993, followed by a resolution on Intensification of efforts to eliminate all forms of violence against women in 2009. In 2010, the Mayor of London published 'The Way Forward', a London-wide plan to end all forms of violence against women in the capital. The coalition government has published its 'Call to end violence against women and girls' (2011), which outlines the clear responsibility of local authorities to coordinate their response to VAWG issues within their local areas.

Locally, there are already many reasons why it is important for us to develop a strong approach to these issues, including:

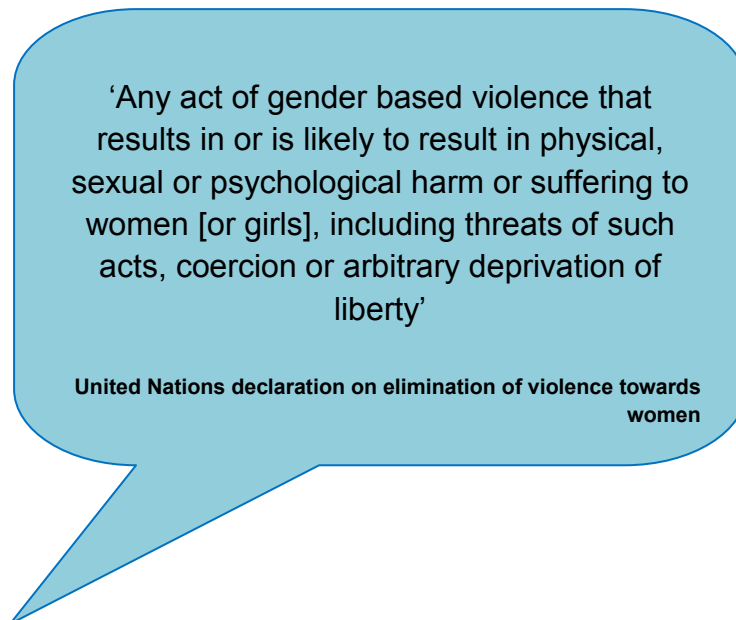


- **Prevalence** - Violence against women and girls affects a large number of women in our community. It is estimated that 45% of women will experience some form of domestic violence, sexual violence or stalking at some point in their lives (British Crime Survey). Locally, domestic violence accounts for around 30% of violent crime in the borough and 6% of overall crime levels.
- **Safeguarding** - Victims of abuse are some of the most vulnerable members of our community. Tackling violence against women and girls is therefore a crucial part of our safeguarding responsibilities to both adults and children. The risk of serious harm and even homicide in violence against women and girls cases is high. The consequences of getting our response to these issues wrong are therefore significant.
- **Gender equality**– Under the Gender Equality Duty 2007, all public authorities must demonstrate that they are promoting gender equality and that they are eliminating sexual discrimination and harassment. Developing a comprehensive violence against women and girls plan is a priority within Tower Hamlets' current gender equality scheme.

It is proposed that this plan will be reviewed and updated annually to assess the borough's response to VAWG and developments in understanding and response, as well as to ensure that partners demonstrate and maintain their commitment to service provision in this area.

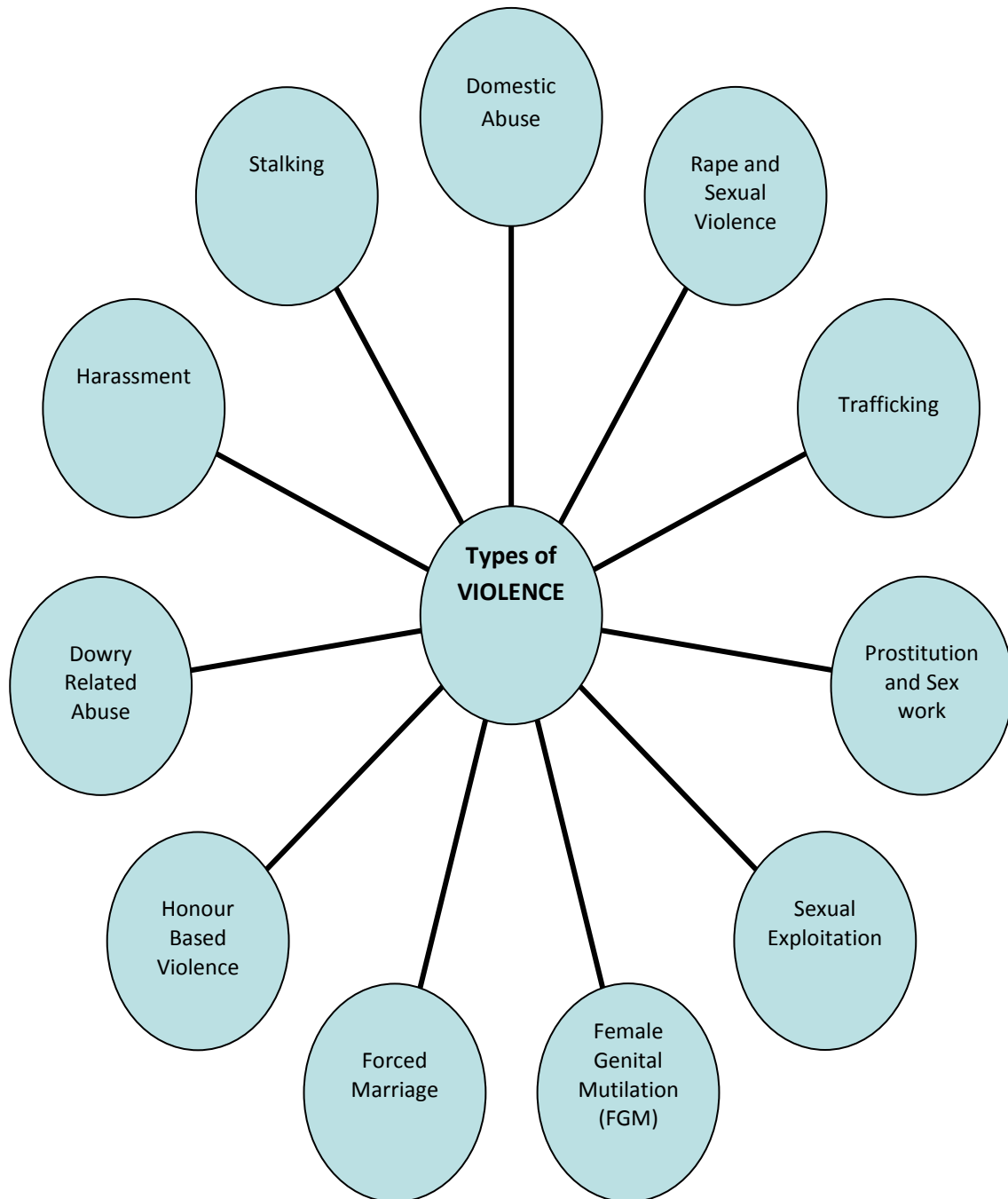
## **What is Violence against Women and Girls?**

Violence against Women and Girls (VAWG) is both a form of discrimination and a violation of human rights. Locally we propose to adopt the United Nations declaration on elimination of violence towards women, which defines violence against women as:



Violence against Women and Girls includes violence that is targeted at women or girls because of their gender or affects women and girls disproportionately. Examples of the types of violence included are:

- **Rape and Sexual Violence**
- **Domestic Violence**
- **Trafficking**
- **Prostitution and Sex work**
- **Sexual Exploitation**
- **(Criminal) Gang related initiation practises against women and girls**
- **Female Genital Mutilation (FGM)**
- **Forced Marriage**
- **Honour Based Violence**
- **Dowry Related Abuse**
- **Harassment**
- **Stalking**



Approximately 97% of all known domestic abuse victims in Tower Hamlets are female - a significant gender bias towards women. A Violence against Women and Girls approach sees the phenomenon of violence against women as both a cause and effect of fundamental inequalities between males and females. The UN Declaration on the Elimination of Violence against Women (1993) states that "violence against women is a manifestation of historically unequal power relations between men and women, which have led to domination over and discrimination against women by men and to the prevention of the full advancement of women, and that violence against women is one of the crucial social mechanisms by which women are forced into a subordinate position compared with men."

It is important that Violence against women and girls is not seen as a series of incidents or assaults which an individual experiences. VAWG describes violent and oppressive patterns of behaviour and practises which achieve power and control over women and girls. It impacts on the physical safety, health and emotional well-being of individuals and impacts on families, carers, children and the community as a whole.

Abuse can take place, however, regardless of gender, ethnicity, faith, sexuality or age. Whilst we recognise that that the issues in this plan have a disproportionate effect on women, we also recognise that boys and men are victims of violence too. As a local area we remain committed to providing support for all victims of abuse and the intention of this plan is to strengthen our response to responding to abuse rather than undermining this approach.

## **What is the experience of local women and girls in Tower Hamlets?**

In developing this plan, the LBTH Domestic Violence Team (now Domestic Violence and Hate Crime Team) sought the views of a wide range of stakeholders in the borough between July 2010 – September 2012. The key stakeholders are:

LBTH Children's Social Care  
LBTH Adults Social Care  
LBTH Children's Safeguarding Board  
LBTH Adults Safeguarding Board  
The Metropolitan Police  
Public Health Services/ The NHS  
LBTH Housing Department- HOST & Homeless Families Services  
The Jagonari Centre  
The Muslim Women's Collective  
The London Muslim Centre  
Refuge  
Tower Hamlets Asian Women's Aid  
Look Ahead Domestic Violence Floating Support Services  
Victim Support IDVA Services  
Supporting People Team  
The East London Rape Crisis Steering Group  
The Probation Service  
The Royal London Hospital (A & E Department)  
Lifeline  
Community Mental Health Services  
The Carers Centre, Tower Hamlets  
Registered Social Landlords  
Toynbee Hall  
Safe Exit  
Members of the Domestic Violence Forum  
Rainbow Hamlets  
LBTH Children's Centres  
The Haven  
Sexual Exploitation Group (NSPCC)  
The Youth Offending Team  
Youth Services  
LBTH Domestic Violence Team services- the DV survivors network, The MARAC, The LBTH Domestic Violence One Stop Shop, The HPU DV drop-in service, The Barkentine Medical Centre  
The 'No Place for Hate' Forum  
The SDVC (Specialist Domestic Violence Court)

The key findings can be summarised as follows: -

- Nearly all of the women questioned stated that they had safety concerns when they travelled by themselves on public transport and most cited that they would 'change' their behaviour due to their fear of experiencing abuse, e.g. they would dress differently, not go out when it was dark or they would avoid certain areas of the borough.
- Most women had personal experience of domestic abuse, current or historic. There are many barriers women face to reporting abuse, that prevent them from seeking help, including fear that the perpetrator of violence would be informed of their disclosure or that their children would be removed. It can thus be many years before women seek help.
- Women need a variety of services in place to help them deal with their experience of abuse. These range from short-term crisis support to protect from further abuse to longer-term support to help women deal with the consequences of past abuse experienced and to rebuild their lives
- In spite of extensive work to promote services, there is still some lack of awareness amongst the community and professionals of what help they can expect and how to access support.
- Feedback from victims suggests that local services are generally helpful and have a positive impact on women's' safety. However some victims reported negative responses from particular services or experienced a lack of understanding from professionals around VAWG issues.

### **Current Profile of Violence against Women and Girls in Tower Hamlets**

- Tower Hamlets currently has one of the highest rates of reported domestic violence incidents across the 32 London boroughs. In the period 2011-2012, The Police received 6625 reports of domestic violence.
- High risk referrals to the Tower Hamlets Multi-Agency Risk Assessment Conference (MARAC) have increased year on year, such that 2011-12 will see around three times as many high risk cases being referred as in 2008-09. In the last 12 months there has been an increase of 30.6% in the number of cases referred.
- Domestic abuse and incidents of violence (against women) currently accounts for a high proportion of referrals to LBTH Children's Social Care and is a key child protection issue for the borough.
- The borough's high levels of immigration have an impact on our response to violence against women. For example, 20% of women seeking help for domestic abuse need language support. In addition, a significant proportion of women facing abuse in the borough have no recourse to public funds due to their immigration status and this affects which services these victims can access.



- The ethnic profile of the borough suggests that culturally specific forms of violence such as forced marriage, honour based violence and female genital mutilation are key issues for the borough, although these forms of violence are not always well reported to local agencies. A number of professionals responding to our local consultation noted the importance of challenging culturally based attitudes to abuse.
- There are relatively high levels of vulnerability within the borough's population including high numbers experiencing mental health and substance misuse issues. Women with additional vulnerabilities often find it most difficult to seek help and are therefore often most at risk from abuse.
- Prostitution is a significant issue for the borough – particularly the on-street trade. We know that those involved in prostitution are likely to be at increased risk of violence and abusive behaviour, including sexual exploitation and being sexually assaulted.
- The Violence Against Women and Girls Plan is a development of the existing Domestic Violence Action Plan and builds upon the recognition between partner organisations that success in combating this problem requires agencies to work more effectively together. The need for a plan that achieves this is especially significant in the current economic climate where there have been substantial cuts in funding to relevant support services across the Public Sector including Women's refuges and Legal Aid. The forthcoming welfare benefit reforms which are due to commence on 1<sup>st</sup> April 2013 will also increase the challenges faced by survivors of violence in securing access to safe accommodation at an affordable rent close to their jobs, social or family support networks or their children's schools

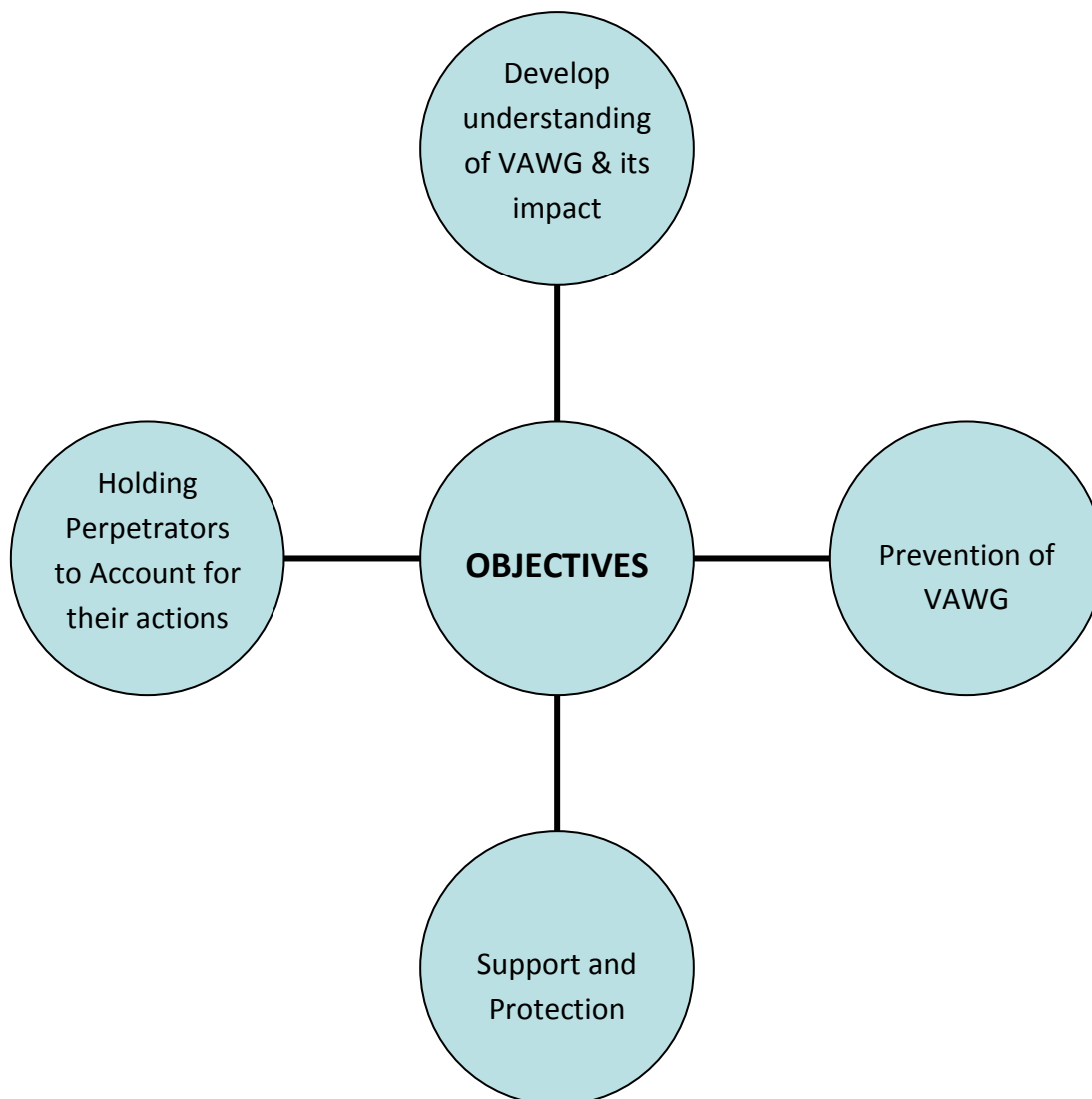
## Our Vision

In adopting this plan, Tower Hamlets and its partner organisations have recognised the following key principles:

- Everyone has the right to live free from violence and from the fear of violence.
  - Violence against women and girls is unacceptable and any attitudes that seek to minimise abuse or blame women for abuse should be robustly challenged.
  - In order to respond to addressing violence against women and girls there must be a coordinated local response that brings together statutory services, the voluntary sector and the community in addressing these issues.
  - Our approach to tackling violence against women must be survivor-centred and survivors of abuse must be given a voice in the way that local services are delivered.
  - Leadership is key to developing an effective response to the violence against women and girls agenda, ensuring that local agencies and the community as a whole are held to account for their role in addressing these issues
-

## Our Key Objectives

There are 4 key objectives underpinning our plan: -



- **Develop further understanding of VAWG and its impact** – Pulling together existing local information to build a comprehensive picture of VAWG and undertaking research and analysis to fill gaps in knowledge.
- **Prevention of VAWG** - Increasing awareness of the violence against women agenda and challenging attitudes which seek to minimise abuse or blame victims of abuse
- **Support and Protection** - Supporting the victims of abuse, both adults and children, helping them to rebuild their lives
- **Holding Perpetrators to Account for their actions** - Protecting those experiencing violence and abuse and holding perpetrators to account for their behaviour

## **Develop further understanding of VAWG and its impact**

The following specific recommendations fall under this objective: -

- The current LBTH domestic violence team and services will be developed, to ensure the objectives of the wider VAWG agenda are met.
- The multi-agency Domestic Violence Forum will become a Violence against Women and Girls Board.
- All agencies will work in partnership to address these issues and their contributions will be identified in our annual VAWG Action Plan.

## 1. Prevention of VAWG

### The Issue

- Over a third of women in the borough are not confident about their understanding of domestic violence and sexual violence and over half do not feel well informed about domestic violence and sexual violence services.
- In a BBC poll, 14%-20% of those surveyed believed it is acceptable to be abusive in relationships in certain situations.
- In an online poll, conducted as part of the Home Office national campaign on violence in teen relationships, 76% of young people responding said they thought it was acceptable to hit a partner if they had been flirting with someone else.
- Nearly three quarters of children considered 'at risk' by Social Services are living in households where one of their parents/carers is abusing the other (Women's Aid)

### Tower Hamlets Response

National survey findings suggest that more needs to be done to challenge negative and ill-informed attitudes about violence against women. Attitudinal surveys have shown that a significant proportion of people would readily accept abusive behaviour in their own relationships and a significant proportion still feel that violence against women and girls is not something that should concern the wider community. Attitudes that seek to excuse abuse, blame women for abuse or make women solely responsible for protecting themselves and their children are also far too prevalent.

The findings of surveys into the attitudes and experience of young people are particularly concerning. A significant number think it is acceptable to be abusive to a partner in certain situations and a high number of young people are experiencing abusive behaviours in their own relationships. Many of those responding to our consultation felt that it was important to work with young people to ensure that future generations are educated about violence against women and girls and what is or is not acceptable behaviour. A number of respondents also felt that our local approach needed to focus more on getting men to take a stand against violence and abuse and act as role models.

The following specific recommendations fall under this objective: -

- Work to increase awareness and training in VAWG
- Work to ensure that VAWG issues are dealt with in a holistic way, rather than as a series of incidents or assaults.
- Support agencies to identify potential or existing VAWG concerns.
- Agencies to develop clear policies and procedures which inform their response to any VAWG concerns that are raised.

## **2. Support and Protection**

### The Issue

- A significant proportion of women report feeling unsafe in the borough – 40% of respondents to a local project said they were fearful of being a victim of crime and 51% reported feeling unsafe on the street at night time
- 31% of women surveyed through the British Crime Survey had not told anyone about their worst experience of domestic violence and 40% had not told anyone about their worst experience of rape.
- Domestic violence accounts for about 12% of homeless acceptances within Tower Hamlets and is the second most common cause of homelessness in the borough.
- An estimated 22% of women first entered prostitution when they were homeless or in temporary housing.
- Women experiencing domestic violence are up to fifteen times more likely to misuse alcohol and nine times more likely to misuse drugs than women generally (Start and Flitcraft)
- Abused women are at least three times more likely to experience depression or anxiety disorders than other women

### Tower Hamlets Response

The findings of our local consultation suggest that women can be reluctant to report any abuse they have experienced. There are many reasons for this including a fear of reprisal from the perpetrator and a lack of family support. The VAWG plan seeks to address these concerns and to encourage survivors to disclose abuse in a safe and supportive environment. In addition, our local consultation highlighted that women do not always know what support is available and where to go to for help. In Tower Hamlets, the average time for women to report domestic violence to local agencies is over 3 years (2010/11 figure). When women do disclose abuse they often vary widely in where they go for support. Locally, women seek help from agencies as diverse as homeless services, children's centres, their GP or health visitor, the police and local specialist services.

Long-term abuse of women and children can have a devastating impact on their quality of life and the general wellbeing of our community. Gender related abuse is linked to higher levels of suicide, depression and self-harm, increased sexual health problems, higher levels of miscarriage and stillbirth, lower life expectancy, poor housing stability and poorer socio-economic outcomes.

The following specific recommendations fall under this objective: -

- Key agencies who work with women and children in the borough to be equipped with full working knowledge of all the agencies that can offer support to VAWG survivors.

- Publishing a service directory of all the VAWG services available to those within the borough.
- Work to ensure service user engagement is always at the heart of safety planning.
- Agencies to be made aware of the importance of respecting and where appropriate advocating the views and opinions of the service user.
- VAWG survivors to be supported to make informed choices about the VAWG services they receive and feel that their needs are fully recognised.
- Continued development of the new 'One Stop Shop' providing walk-in support for VAWG survivors by a number of key agencies to enable multiple needs met to be met under one roof.
- Increasing the extent to which victims of violence feel well supported by agencies.

### **3. Holding Perpetrators to Account for their actions**

#### The Issue

- 2 women a week in the UK are murdered by their partners or ex-partners
- Less than 1 in 7 of the worst cases of sexual assault and less than 1 in 4 of the worst cases of domestic violence are reported to police (British Crime Survey)
- About 6% of recorded rape cases and less than 10% of domestic violence incidents reported to police result in a conviction
- Over 260 high risk cases of domestic violence – where the victim is felt to be at risk of serious harm or homicide - are referred to the Tower Hamlets MARAC annually
- Children are known to be living in the household in 70-80% of domestic violence cases reported in the borough and 60% of the highest risk cases
- A study by the NSPCC found a quarter of girls aged 13-17 had experienced physical partner violence, three quarters had experienced emotional partner violence and a third had experienced sexual partner violence.

#### Tower Hamlets Response

It is our belief that perpetrators of violence against women and girls should be held accountable for their actions and improving the safety of those affected by abuse is crucial to our local response to tackling violence against women. Many perpetrators will continue to perpetrate violent behaviour in their future relationships thus affecting more adult victims and their children.

Victims of abuse are vulnerable to the risk of experiencing serious harm and as their experience of abuse escalates, they become at risk of being the victim of murder. Many of our highest risk cases involve residents experiencing additional vulnerabilities such as disability, mental health and substance misuse issues. The Violence against women and girls agenda is therefore a key strand of our local approach to safeguarding adults.

Violence against women and girls is also a significant child protection concern. Children are present in the household in the majority of abusive incidents reported in the borough. It is recognised that living in abusive households has a significant impact on the safety of children and their emotional wellbeing and development. In addition, girls and young women are overwhelmingly affected by violence with most domestic violence and sexual abuse starting during teen relationships. Young people are also at higher risk from issues such as forced marriage, female genital mutilation, sexual exploitation and sexual bullying on the internet.



Most respondents to our local consultation felt that men needed to be held accountable for their abusive behaviour rather than giving women the sole responsibility for keeping themselves and their children safe. However, it is recognised that there are significant challenges involved in holding perpetrators to account for their behaviour.

Violence against women often goes unreported and women can be especially reluctant to report abuse to the police or to go through with criminal cases. When cases are reported, the length of time to get to court and the weakness of some criminal sanctions can put victims at increased risk or result in victims withdrawing from the process. This means the majority of perpetrators of these crimes never or infrequently come into contact with the criminal justice system.

The following specific recommendations fall under this objective: -

- Work to increase the reporting of incidents to The Police
- Agencies to obtain more information from perpetrators when conducting assessments of risk in VAWG cases, in order to obtain a fuller picture of the circumstances
- Increase the percentage of cases being referred to the Specialist Domestic Violence Court (SDVC)
- Further joint working between agencies, for perpetrators who are convicted of VAWG offences, in order to keep the survivor safe
- Agencies to consider that most perpetrators will continue to have contact with their children after a relationship has ended and the impact on the children
- Increased awareness and support for the perpetrators programme facilitated in Tower Hamlets so that more perpetrators have the choice to access it

## **Existing Work and Development of Existing Work**

The following points highlight some of the existing work around domestic violence in Tower Hamlets and ways that it can be developed and improved. Some of the development work is further detailed in the action plan below.

1. Sustainable funding to be provided for the existing Independent Domestic Violence Advisor (IDVA) service and the service improved through a rigorous and robust tendering process and monitoring, ensuring that the VAWG dynamic is considered as part of the contract.
2. Continue with coordination of fortnightly Multi-Agency Risk Assessment Conference (MARAC) meetings ensuring key partners are able to effectively and efficiently refer and support high risk victims. Ensure all new MARAC representatives are appropriately trained before becoming a member. Deliver refresher training every year to existing MARAC representatives, with a focus on addressing areas requiring improvements such as effectively and efficiently assessing and referring high risk cases.
3. Secure sustainable funding for the Sanctuary Project, including increasing outreach work with housing providers, community groups and other key organisations in order to increase referrals.
4. Secure sustainable funding for the coordination of the Specialist Domestic Violence Court (SDVC) in order to strengthen the responsiveness of the criminal justice system to VAWG offences. Utilise the strength of the existing SDVC Steering Group and partner relationships to improve the response to VAWG in the criminal justice system, particularly courts and Crown Prosecution Service (CPS). In particular to focus on improving successful prosecutions for rape.
5. Continue providing weekly surgeries at the Homeless Persons Unit (HPU) to prevent homelessness and further focussing on priority areas of need, such as the needs of single women and families and to use this to increase safety planning.
6. VAWG surgeries/workshops in community locations including the Carers Centre, Community alcohol and drug service agencies, Hostels, Refuges and GP surgeries, in particular at locations to support older women experiencing violence.
7. To add to existing data and knowledge by reviewing local and national data on VAWG.
8. To improve the focus on vulnerable groups, to ensure this informs service delivery and policy development, identifying any gaps in services. This includes ensuring equalities monitoring profile data is collected for victims, identifying how closely this reflects the demographics of the borough and whether more work is needed with particular groups who are not accessing services.

9. To continue to update the Domestic Violence Service Directory incorporating new chapters to encompass the broader VAWG agenda and ensure contact numbers and services are accurate.
10. Continue to deliver training, including to Social landlords.
11. To ensure that Survivors forums run by LBTH or partners are high quality, well attended, run according to appropriate procedures and with highly trained and specialised staff, and available and accessible to all VAWG victims.
12. To continue to work with the Police in providing Tower Hamlets One Stop Shop in partnership with Victim Support and other key partners.
13. To develop the existing DV Forum to become a VAWG board and consider the re- launch of the Rape and Sexual Offences Forum (RASOF) as a sub-group.
14. To develop the existing Third Party Reporting (TPR) project for hate crime, to develop the capacity of existing sites and identify new sites. Specifically, to set up independent reporting centres that work specifically with VAWG victims and organise a re-launch of the Third Party Reporting Project to encourage reporting and raise awareness.
15. To utilise existing campaigns and materials to send out key messages about the wider VAWG agenda, encourage reporting and raise awareness of support provisions available.

## **Monitoring and Governance**

The violence against women and girls agenda cuts across a wide range of different operational service areas including health, housing and community safety. The Violence against women and girls agenda cannot be delivered in isolation and relies on a broad range of agencies working in partnership.

We have developed an initial VAWG action plan to reflect this and as a way of monitoring what outcomes are required to be achieved in the next 12 months. This action plan will be reviewed on a quarterly basis at the new VAWG Board. It is also recommended that it is reviewed and reported on annually at the Community Safety Partnership (CSP). The VAWG action plan will be delivered by the Violence against women and girls partnership manager based within the LBTH Domestic Violence Team.

Leadership locally will be provided by the CSP, known locally as the Safe and Cohesive Community Plan Delivery Group. Responsibilities will also lie with the Local Safeguarding Children's Board and Local Safeguarding Adults Board.

## **ACTION PLAN**

- The action plan will be reviewed quarterly at the VAWG forum and an annual progress report will be completed at the end of each financial year
- The VAWG partnership officer will be responsible for working with agencies to ensure that they are contributing to the VAWG plan

### **KEY OBJECTIVE 1: TO DEVELOP FURTHER UNDERSTANDING OF VAWG**

Objective	Actions	Outcomes	Lead Agencies	Progress update by agencies
<b>To use the VAWG plan to support organisations to understand VAWG and implement strategies for preventing and dealing with violence against women</b>	Increased awareness of how VAWG impacts on the lives of women and girls, their safety, health, development and child protection	To develop a LBTH VAWG awareness raising campaigns	LBTH DV Team YOT Education Health Services Adult and Child Safeguarding	This has commenced with the introduction of the VAWG plan.

	To encourage further understanding of gender inequality and how this impacts on women and girls experiencing violence	Targeted schools and YOT campaigns	Boards Housing Voluntary Sector Groups Advocacy Groups DV and Sexual Violence Organisations
	To challenge oppressive attitudes that seek to attribute 'blame' towards female victims of abuse	Working jointly with all agencies including BME, LGBT and religious/community groups to support them to understand their role in tackling violence especially with regard to forced marriage, FGM, honour based violence and sexual violence	Legal Services
	To promote the belief that responding to the needs of VAWG survivors is the responsibility of all organisations	Support organisations to develop their own policies and procedures in response to the VAWG plan	

<b>Provide specialist VAWG training programme to all organisations</b>	All key statutory and voluntary agencies are equipped to recognise VAWG issues and develop ways of responding to them pro-actively within their own service and through joint working agreements	Integrate specialist VAWG training as part of the LSCB training programme	LBTH DV Team  LSCB Safeguarding Board	To commence in 2012-13
		Deliver VAWG training to partner organisations and to work with organisations to ensure that this work is prioritised		
		Provide support to organisations to develop their VAWG procedures		
<b>Establish a VAWG Board</b>	To develop the current Domestic Violence Forum into a VAWG forum which considers all forms of violence against women and girls. This does not reduce the focus on domestic violence but seeks to incorporate other	Review the current DV Forum membership list to include more organisations which represent specialist VAWG organisations and the community/faith groups/ disability/ health/ LGBT	The DV forum membership	To be raised for consultation at the next DV forum on 18 <sup>th</sup> October 2012

	VAWG factors which are relevant to addressing and minimising risk to individuals and families.	representatives		
		Broaden the current focus of this group to facilitate VAWG discussion and agree a new VAWG action plan.		
		Provide a particular focus on how organisations can support individuals who do not meet statutory thresholds for social services support /do not wish to report incidents to The Police		



		Develop the LBTH Multi-Agency Risk Assessment Conference (MARAC) and increase the % of referrals from non-statutory agencies		
<b>Work in partnership with Communications leads to develop a VAWG Communications Plan to promote our VAWG plan</b>	To work jointly and regularly with LBTH and partner Communications Teams to promote VAWG activities, awareness raising and campaigns	Meet regularly with the Communications Team to identify ways of promoting the 'VAWG message'	LBTH DV Project Officer  Representatives from Health, Safeguarding Adults and Children  Housing  Schools	To commence in 2012-13
	Increase campaigning and promotion of VAWG services, The One Stop Shop and Third Party reporting sites			
<b>Establish a VAWG cross borough awareness raising</b>	To promote the VAWG agenda, the borough's commitment to it, and the services available to	Establish VAWG working 'groups to increase awareness of the	All agencies	To commence in 2012-13

<b>campaign</b>	encourage accessibility.	VAWG agenda.		
	Include all agencies, health, education, BME specific groups, disability advocacy groups to participate in this			

## KEY OBJECTIVE 2: PREVENTION OF VIOLENCE AGAINST WOMEN AND GIRLS

Objective	Actions	Outcomes	Lead Agencies	Progress update by agencies
Ensuring staff from all agencies know how to assess, identify and provide an appropriate response to victims of gender based violence.	Staff and organisations have clear policies and procedures which address this	For all agencies to have developed a fully co-ordinated response to prevention of VAWG	Adult and Children's Social Care  Voluntary Agencies	Commencing in 2012-13
	Staff and organisations are trained to use the DV1 form, make safeguarding referrals, referrals to agencies and referrals to The MARAC	Increased awareness of sharing of information and making safeguarding referrals	Community organisations  Faith organisations	

	<p>Training is provided in using the CADDA 'Dash' risk assessment tool as a risk matrix to identify VAWG risks</p>	<p>Co-ordinated response to assessing risk, addressing risk, increasing harm minimisation and repeat victimisation</p>	<p>Children's Centres Schools and Colleges</p> <p>YOT and Probation</p> <p>Voluntary Sector Groups</p> <p>Health Services</p> <p>HM Courts Service</p> <p>Rape Crisis/ The Haven/ The Nia Project</p>	
<p><b>Ensuring that all staff who work with children and young people are able to identify VAWG concerns and risks in order to provide intervention support.</b></p>	<p>LSCB and Adult Safeguarding Board to provide specialist training in identifying VAWG risks</p>	<p>Increased training provided to staff to support them to identify and report VAWG issues</p>	<p><b>The VAWG partnership officer &amp; the LSCB training board</b></p>	<p>Commencing in 2012-13</p>

		Increasing awareness of VAWG as a child protection issue		
		Increased accountability of staff to report VAWG issues amongst young people		
		Early intervention support provided		
		Reduction in harm to young people		

<p><b>Develop, implement and deliver a VAWG training programme for health providers especially in relation to identifying FGM, sexual violence and cases of VAWG during pregnancy and where there are children aged under 12 months old</b></p>				
	<p>Provide VAWG training to health visitors, midwives, maternity units and A and E Departments on identifying VAWG and making referrals to the POVA team, Children’s Social Services and the DV Team</p>	<p>Increased identification of cases where there is FGM or where women and girls are at risk of FGM</p>	<p><b>Health Services are leading on developing a approach to addressing FGM within the borough</b></p> <p><b>To work with the LSCB to include this in their guidance</b></p>	
		<p>Developing an equalities based understanding of practises such as FGM, forced marriage, rape and sexual violence</p>		

<b>Develop an offender based programme which offers planned intervention and support to female offenders who are VAWG victims, former criminal gang members or who are at risk of sexual exploitation/ returning to sex working when they are released from custody</b>	To develop a working protocol with Safe Exit, The Probation Service, Women in Prison, Women Ahead, The Supporting People Team and The Housing Department to address the presenting risks these women face on their release from custody.	Provide an opportunity to women with complex needs to address factors which has impacted on them as offenders and VAWG survivors	<b>The VAWG partnership manager, Safe Exit, The Probation Service, Supporting People Team, Women Ahead</b>	Commencing in 2012-13
		Reduce sexual exploitation, reduce homelessness, repeat offending and repeat victimisation		
<b>Develop and implement a VAWG awareness programme aimed at young people at school, colleges, involved in the criminal justice system and those involved with Social</b>	Deliver VAWG training to schools and colleges incorporating the LSCB safeguarding procedures	Raising awareness amongst young people of what VAWG is	<b>The VAWG partnership manager, Schools and Children's Services, The YOT</b>	Commencing in 2012-13

<b>Services</b>	Identify a VAWG/ CP representative who is the identified person responsible for developing referral procedures	Highlight and challenge presenting themes of violence within relationships amongst young people, gang initiation violence, the portrayal of women and how violence against women and girls is portrayed in the media	<b>The VAWG partnership manager</b>	
	Deliver regular 'VAWG youth conferences' to provide information to and encourage discussion and awareness amongst young people	Providing young people with information about how they can access support around VAWG as both victims and perpetrators		
<b>Provision of a VAWG telephone advice line</b>	Develop the current LBTH Duty Advice Line into a VAWG advice and information line. This is a free phone number- 0800 279 5434 and there is no cost to the caller if they are calling from a landline	To encourage victims, perpetrators, their families and carers and professionals to access support and information on VAWG services	<b>The LBTH Domestic Violence Team</b>	Commencing in 2012-13



	number.	To provide a multi-lingual, multi- cultural and equalities based information service		
Provision of 3 <sup>rd</sup> Party Reporting Sites	To develop VAWG reporting centres within the borough where trained staff can offer immediate support or signposting to women and girls. e.g., at identified children’s centres, The Homeless Persons Unit, Health Centres, The Library, Ideas Store, GP surgeries	To provide further opportunities for VAWG victims and perpetrators to access support and advice as an alternative to making a Police report.	<b>The VAWG partnership officer &amp; the LBTH DV Team</b>	Commencing in 2012-13
		Increase community awareness of the impact of VAWG and the need to encourage disclosures of VAWG to be made		

		<p>To place a particular focus on the needs of single women who are not supported by Adult and Children’s Social Care and working women who cannot access services during normal working hours</p>	<p><b>The VAWG partnership manager, the voluntary sector, childrens centres, Third Party reporting sites, The Jagonari Centre,</b></p>	
<p><b>VAWG Policies and Procedures for employers</b></p>	<p>All employers within the borough should receive training to develop policies and procedures to identify and manage VAWG issues that may impact on individual employees</p>	<p>Employers should have clear guidelines to follow on how to respond to the employees who have experienced violence</p>	<p><b>The VAWG partnership manager and Human Resources</b></p>	<p>Commencing in 2012-13</p>

		Addressing VAWG is the responsibility of the whole borough and not only VAWG agencies		
--	--	---	--	--

## KEY OBJECTIVE 3: SUPPORT AND PROTECTION

Objective	Actions	Outcomes	Lead Agencies	Completion Date
To ensure that victims of VAWG are aware of how to report VAWG, access support and have knowledge of referral pathways.	Development of the DV 'One Stop Shop' to become a specialist VAWG service	Encouragement to report historic and current VAWG issues	The Police LBTH DV Team Victim Support	Commencing in 2012-13
	Increasing VAWG advocacy services and information available to victims, professionals and the public	Develop self-advocacy for victims	Housing Services East London Rape Crisis Service	
	Increase in publicity of VAWG services	Access appropriate VAWG information and services	Safe Exit	
	Presentations to service user groups who access services	Service users to receive a positive, sensitive and knowledgeable		

		response		
	Create 3 <sup>rd</sup> Party reporting centres where victims can seek immediate advice and be supported to report VAWG incidents			
<b>Ensure that women and young girls are safeguarded in line with London and Tower Hamlets Adult and Children Safeguarding Procedures</b>	VAWG training is required to be included as part of the LSCB board and Adult Safeguarding Board training programme	Increased awareness of VAWG as a child protection issue	LSCB Adult Safeguarding Team	
		To include VAWG issues as part of child safeguarding assessments		

<p><b>Ensure that vulnerable adults experiencing VAWG are safeguarded in line with Adults Safeguarding Policies and Procedures</b></p>	<p>VAWG training is required to be included as part of the induction process of new staff</p>	<p>Increased awareness of VAWG as an adult safeguarding issue</p>	<p>Adult Safeguarding Team and The VAWG partnership Manager</p>	
	<p>MARAC training to be provided to safeguarding agencies</p>	<p>Increased referrals to The MARAC</p>	<p>The MARAC co-ordinator and VAWG partnership manager</p>	
<p><b>To provide key VAWG services which reach out to those with learning disabilities, mental health illness, dual diagnosis substance misuse, older people and carers.</b></p>	<p>Raising awareness of the impact of dual diagnosis or complex needs as part of the experience of VAWG survivors</p>	<p>Ensure that individuals with complex needs are supported with VAWG issues that may impact on their health and well-being and prevent them from accessing further rehabilitation for themselves</p>	<p>Substance Misuse services Disability services Mental Health Advocacy Groups Adult Safeguarding Team</p>	

	Further community engagement work to be completed to include service user participation and collating service user feedback on current services and service development	Providing alternative ways of reporting VAWG for those who choose not to report to The Police	The Carers Centre Hidden Harm	
<b>Provide VAWG specific drop-in services to support the work of organisations providing support and protection to individuals and their families including A</b>	Develop service level agreements to formalise joint working protocols	Increase access to services	Health Services	

<p><b>and E Depts, Children’s Centres, Health Centres, Housing Providers, GP surgeries</b></p>	<p>Provide regular drop-in advice surgeries to A and E Departments, Midwifery, Children’s Centres, Health Centres, Housing Providers and GP surgeries</p>	<p>To encourage victims to make disclosures to staff with whom they have already developed a trusting relationship with</p>		
<p><b>Ensure that women and girls who have experienced prostitution, trafficking, rape, sexual violence and sexual exploitation are able to access</b></p>	<p>Clear referral pathways to services</p>	<p>Increase support and protection to victims through a joined up working approach</p>	<p>LSCB Sexual Exploitation Group</p>	



appropriate services	Identification of who these women and young women are and how they can be provided with immediate protective measures if required	Increased provision of emergency accommodation/ refuges	The LBTH Prostitution Group The Police The Haven ELRC	
	Establish a 'MARAC' style multi-agency sexual violence forum to address the risks of current high risk cases within the borough	To address high risk VAWG cases within the borough by safety planning and increased levels of support	ISVA Service Victim Support	
Sufficient and accessible support is available to those who have experienced or who are at risk of experiencing culturally specific forms of	Identify the current prevalence of culturally specific VAWG practises within the borough	Increased identification on cases within the borough	The Home Office Community and Faith Groups	

<b>violence such as dowry abuse, forced marriage and honour-based violence</b>	Joint working with community groups and faith groups to address the presenting risks and any trends identified and how we can address these	Increased knowledge of these practises	BME specific VAWG organisations  The Nia Project  The Jagonari Centre	
	Provide monitoring and KPI information to monitor the take up of service provision	Increased knowledge of forced marriage legislation and implementation of Home Office guidelines		
<b>To develop an FGM plan and to support local communities to engage and support women and girls who have experienced FGM and who are at risk of 'cutting'.</b>	To identify the prevalence of FGM in the borough	Agencies are required to develop a policy and procedure for managing cases of FGM	Health Services  GP's  Health Visitors	

	Work with identified communities to develop discussion on how we can address FGM	To provide monitoring of the identification of new referrals	Midwifery Schools Community organisations Faith groups	
	Create a working protocol and referral pathway for women and girls who have been the victim of FGM or who are at risk of FGM			
	Provide training to schools to increase awareness of the prevalence of FGM			
<b>To develop clear guidance on addressing issues of stalking, cyber-stalking and harassment and support victims of these specific crimes</b>	Raise awareness of the impact of stalking and harassment on victims and the risks they present to both the emotional and physical safety of victims	To develop strategies in line with Home Office procedures on stalking	The Police The MARAC Adult and child safeguarding	

	Work in conjunction with The Police to identify cases where stalking and harassment are repeat incidents	Ensure that stalking and harassment risks are evidenced and an identified response is provided to all victims	teams Housing Services	
	Referral of these cases to The MARAC			
<b>Provide support to those at risk of sexual exploitation through criminal gang membership and initiation practises</b>	Identifying the current prevalence of gang violence and cases where there is evidence of VAWG	Ensure that gang related violence is seen as a VAWG risk	YOT Probation Service The Police	
	Develop joint working between youth services, Probation and agencies working with gang related violence	Gang related violence is a child protection issue	Youth Services NSPCC services Health Services East London Rape Crisis Services	

			The Haven	
<b>Health services to provide specialist expertise on FGM, violence during pregnancy and that all health services provide a co-ordinated response to VAWG</b>	Development of a multi-agency health based approach to addressing the risks of FGM and violence during pregnancy	<p>Increased support for victims</p> <hr/> <p>Increased awareness amongst health practitioners of FGM and the impact of violence during pregnancy</p>	<p>LSCB sexual exploitation group</p> <p>Children's services</p>	
<b>To provide an equalities –based approach to VAWG by meeting the demographics of our borough such an LGBT specific service and a VAWG service specific to the needs of the Eastern European community and those</b>	Collate statistical information on LGBT VAWG and current service provision and how we as a borough are meeting the needs of new communities	To ensure that our VAWG plan meets the requirements of The Equality Act 2010	<p>LBTH Equalities Team</p> <p>BME agencies including the Somali community</p>	

with NRTPF.	Develop services to provide further specialist VAWG services in line with the Equalities duty	Minimise barriers that VAWG victims face when accessing services	Rainbow Hamlets Galop Women's Aid/ Refuge
	Develop good practice guidelines with Tower Hamlets 'No Recourse to Public Funds' Team	Demonstrating a commitment to addressing inequality and discrimination within the borough	'No recourse to public funds team'

**KEY OBJECTIVE 4: HOLDING PERPETRATORS TO ACCOUNT FOR THEIR ACTIONS**

Page 159

Objective	Actions	Outcomes	Lead Agencies	Completion Date
<p><b>Increasing the reporting of VAWG incidents to The Police</b></p>	<p>Development of 3<sup>rd</sup> Party VAWG reporting sites</p>	<p>Increase the reporting of VAWG incidents</p>	<p>LBTH Team Victim Support</p>	<p>Commencing 1st April 2012</p>
	<p>Additional provision of VAWG advice surgeries to provide advice &amp; support victims to report to The Police</p>	<p>Provide increased safety planning support to victims</p>	<p>The Police VAWG advocacy services this service is currently in the process of re-tender and will commence in March/April 2012)</p>	
	<p>Increase of referrals to Victim Support</p>	<p>Ensure that victims have access to an IDVA (independent domestic violence advocate) / violent crime caseworkers</p>		

		to encourage them to report incidents to The Police		
<p><b>Increasing referrals to The MARAC particularly around FGM, sexual violence, trafficking &amp; sex working</b></p>	<p>Increase MARAC training to all agencies who support VAWG victims</p>	<p>To increase safety planning &amp; specialist support to VAWG victims to include addressing the behaviour of perpetrators and holding them to account for their behaviour</p>	<p>The Police VAWG agencies The voluntary sector</p>	
		<p>Reduce repeat victimisation</p>		
		<p>Share information within a multi-agency forum so the behaviour of perpetrators can be identified &amp; challenged by agencies such as Childrens Services, The Housing Team and Legal Services</p>		



<p><b>Probation Service to increase their referrals of VAWG victims to specialist services and contribute to safety planning measures</b></p>	<p>Provide VAWG training to The Probation Service &amp; YOT to encourage them to refer victims for support prior to the release from custody of perpetrators</p>	<p>To increase the safety of victims &amp; support perpetrators to address their behaviour within their probation/licence conditions</p>	<p>The Probation Service, The YOT &amp; Women’s Safety Officers  VAWG services</p>	
<p><b>Working with The Police to ensure that they respond effectively to breaches of bail &amp; non-molestation orders</b></p>	<p>Identify specialist officers for organisations to share this information with</p>	<p>To increase the arrest of repeat perpetrators of VAWG</p>	<p>The Police-CSU &amp; The Sapphire Team</p>	
<p><b>Increase the number of referrals to the SDVC</b></p>	<p>To hold VAWG perpetrators accountable for their actions and increase support for victims to encourage them to report incidents and attend court</p>	<p>Increase the number of cases &amp; convictions at the SDVC</p>	<p>SDVC co-ordinator  Court Services  The Police  Victim Support</p>	

<p><b>Raising awareness of the Perpetrators Programme &amp; Caring Dads programme to service providers</b></p>	<p>Increase the number of referrals to the Perpetrators Programme, include this work as part of assessments within Children’s Services &amp; encourage perpetrators to address their behaviour</p>	<p>Addressing the behaviour of perpetrators through them engaging in therapeutic work thus minimising further harm &amp; repeat victimisation</p>	<p>Peter Joseph Children’s Services, VAWG agencies</p>	
<p><b>Increased access of legal services to victims of VAWG</b></p>	<p>Identify experienced &amp; responsive solicitors within the borough who are pro-active &amp; knowledgeable in their support to VAWG victims</p>	<p>Providing victims with positive legal &amp; advocacy services to address their needs &amp; support them to take legal action against VAWG perpetrators</p>	<p>Local solicitors firms The DV One Stop Shop Tower Hamlets Law Centre</p>	

**Co-ordinated working between all VAWG agencies & The Sapphire Team**

Strengthening relationships with the Sapphire Team & increasing their attendance at the VAWG forum & other VAWG agency meetings

Increased sharing of case information which can be used to protect the victim

The Sapphire Team

This page is intentionally left blank

# Equality Analysis (EA)

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

Name of the proposal including aims, objectives and purpose:

*(Please note – for the purpose of this doc, ‘proposal’ refers to a policy, function, strategy or project)*

Violence Against Women and Girls Plan

Who is expected to benefit from the proposal?

All women and girls who are at risk of or whom are experiencing violence, their families, children and the safety of the wider community. The plan also seeks to support perpetrators of violence by providing services they can access to address their behaviour, towards the victim and their own families.

Service area: Community Safety

Team name: Domestic Violence & Hate Crime Team

Service manager:  
Emily Fieran- Reed

Name and role of the officer completing the EA:  
Sharmeen Narayan, Domestic Violence and Hate Crime Manager

## Section 2 – Evidence (Consideration of Data and Information)

What initial evidence do we have which may help us think about the impacts or likely impacts on service users or staff?

It is estimated that 97% of victims of domestic abuse in Tower Hamlets are female. We have collated this information based on stakeholder data which has been gathered between July 2010 and September 2012.

In addition to this, this data can be verified through the use of DV1 forms within the borough which we as a team monitor and referrals made to the MARAC, Specialist Domestic Violence Court and DV Survivors Group.

We use performance indicators to monitor gender as part of our Equalities consideration.

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

#### How will what you're proposal impact upon the nine Protected Characteristics?

For the nine protected characteristics detailed in the table below please consider:-

- **What is the equality profile of service users or beneficiaries that will or are likely to be affected?**

This proposal seeks to address the inequality of women who experience domestic abuse disproportionately to men. As a team we do provide support to men experiencing domestic abuse and all forms of violence and whilst the VAWG Plan does not make direct reference to male victims, we as a service remain committed to supporting male survivors of violence.

- **What qualitative or quantitative data do we have?**
  - Key stakeholder consultation between July 2010- September 2012
  - Monitoring of MARAC referrals & data
  - Domestic Violence indicators provided by The Metropolitan Police
  - DV1 referrals
  - DV Survivors referrals
  - Referrals to the Sanctuary Scheme
  - Monitoring of victims presenting at the Specialist Domestic Violence Court
  - Monitoring information from the council funded IDVA service

- **Equalities profile of staff**

N/A

- **Barriers**

The main barrier is under-reporting of domestic abuse. We have sought to address this by developing 3 new weekly drop-in services across the borough where victims can report incidents and access appropriate support, advice and safety planning.

There is notable under-reporting of domestic abuse and sexual violence amongst women with disabilities, mental health issues and women involved in sex working.

We have started to address this by jointly working with specialist providers who work in these areas to encourage women to recognise abuse and seek support to address it.

- **Recent consultation exercises carried out?**

Cross borough stakeholders have been consulted for this plan during a 2 year period and we have sought to include service user feedback.

- **Additional factors which may influence disproportionate or adverse impact?**

N/A

- **The Process of Service Delivery?**

We are not providing a new service. We have received 3 year funding for a VAWG strategy manager who will work with organisations to ensure that they fulfil their responsibilities and provide services in line with the VAWG plan.

We are currently developing a VAWG action plan with partner agencies to reflect how we will do this.

- **Reduce inequalities:**  
The VAWG plan specifically seeks to address inequalities that contribute to women experiencing domestic abuse and all forms of violence and exploitation.

- Ensure strong community cohesion:

This plan seeks to increase awareness of gender inequality and includes a commitment to working with male perpetrators of violence and increasing awareness of the impact of VAWG issues on individuals, families and the community as a whole.

- Strengthen community leadership:

We work in partnership with third sector agencies and this includes faith, disability, LGBT and community based organisations who are central to raising awareness of VAWG issues.

Target Groups	Impact – Positive or Adverse	Reason(s)
	<p>What impact will the proposal have on specific groups of service users or staff?</p>	<ul style="list-style-type: none"> <li>• Please add a narrative to justify your claims around impacts and,</li> <li>• Please describe the analysis and interpretation of evidence to support your conclusion as this will inform decision making</li> </ul> <p>Please also how the proposal will promote the three One Tower Hamlets objectives?</p> <ul style="list-style-type: none"> <li>-Reducing inequalities</li> <li>-Ensuring strong community cohesion</li> <li>-Strengthening community leadership</li> </ul>
Race	Positive	<p>We are committed to supporting women regardless of their ethnicity. We have also given consideration to types of violence which may be considered ‘culturally specific’ such as Forced marriage, Female Genital Mutilation and ‘Honour-based’ violence.</p> <p>There are no current statistics on the number of different VAWG practises within the borough and this will be addressed within the action plan.</p>
Disability	Positive	<p>We are aware that women with disabilities may face increased barriers in reporting domestic abuse and we are working with disability advocacy groups to promote the VAWG plan and its implementation. There is no current research on this but we aim to work with disability organisations and carers groups to evidence reporting. We aim to strengthen the support available to women who have disabilities who experience domestic abuse. ( The domestic violence team will also be extending this to working with disabled men too)</p>
Gender	Positive	<p>This plan seeks to address the gender inequality of women</p>
Gender Reassignment	Positive	<p>This plan gives consideration to the needs of transgender people, how they choose to define their gender and choose the services that are appropriate to their needs. We are committed to providing specialist training in this area to organisations within the borough. At present, there is minimal information about the current transgender community within Tower Hamlets. As a service, we have commenced working with transgender and ‘trans’ groups in other boroughs (such as Lambeth) to collate examples of good practice and advocacy in this area.</p>
Sexual Orientation	Positive	<p>This plan gives consideration to lesbian and bi-sexual women and we have developed parts of the action plan with LGBT organisations.</p>
Religion or Belief	Positive	<p>The VAWG plan recognises the key role of faith leaders in challenging attitudes about the prevalence and acceptability of VAWG and sets out how we will work with people from all faith backgrounds to involve them in the development of the communications and awareness raising elements of the Plan.</p>
Age	Positive	<p>The VAWG plan seeks to address inequalities faced by women and girls. We are particularly aware</p>



		that older women (aged 60+) may face increased vulnerability due to their age and we are actively working with the Safeguarding Adults Team to promote increased awareness of VAWG. We are looking to address specific forms of violence against young girls such as sexual exploitation and gang initiation practises and to increase the awareness of domestic abuse within schools and colleges.
Marriage and Civil Partnerships.	Positive	Domestic abuse and sexual violence can occur within all forms of relationships and we are committed to addressing the issues within an anti-oppressive and anti-discriminatory ethos.
Pregnancy and Maternity	Positive	We are aware that the risks of experiencing domestic abuse and violence increase when a woman is pregnant and we have established strong working protocols with health and maternity services to address this.
Other Socio-economic factors	Financial	Women with 'no recourse to public funds' are particularly vulnerable to VAWG because they face homelessness if they leave an abusive partner with whom they co-habit. Changes to the welfare benefit system also have the potential to impact negatively on women with children who are seeking to flee violence and access safe accommodation because they may be subject to a cap on the benefits they receive if they are not in work. We are working closely with women's support organisations to ensure women are not prevented from leaving abusive relationships due to concerns about homelessness or income.

## Section 4 – Mitigating Impacts and Alternative Options

From the analysis and interpretation of evidence in section 2 and 3 - Is there any evidence of or view that suggests that different equality or other protected groups (inc' staff) could have a disproportionately high/low take up of the new proposal?

NO

If yes, please detail below how evidence influenced and formed the proposal? For example, why parts of the proposal were added / removed?

*(Please note – a key part of the EA process is to show that we have made reasonable and informed attempts to mitigate any negative impacts. AN EA is a service improvement tool and as such you may wish to consider a number of alternative options or mitigation in terms of the proposal.)*

## Section 5 – Quality Assurance and Monitoring

Have monitoring systems been put in place to check the implementation of the proposal and recommendations?

YES

How will the monitoring systems further assess the impact on the equality target groups?

We will be completing quarterly monitoring on the delivery of the VAWG action plan and how it impacts on all the protected characteristics.

Does the policy/function comply with equalities legislation?  
(Please consider the [OTH objectives](#) and [Public Sector Equality Duty](#) criteria)

YES

If there are gaps in information or areas for further improvement, please list them below:

How will the results of this Equality Analysis feed into the performance planning process?

This will be monitored and evidenced in a quarterly VAWG action plan.

**Section 6 - Action Plan**

**PLEASE SEE THE ATTACHED VAWG ACTION PLAN**

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress
<p><b>Example</b></p> <p>1. Better collection of feedback, consultation and data sources</p> <p>2. Non-discriminatory behaviour</p>	<p>1. Create and use feedback forms. Consult other providers and experts</p> <p>2. Regular awareness at staff meetings. Train staff in specialist courses</p>	<p>1. Forms ready for January 2010 Start consultations Jan 2010</p> <p>2. Raise awareness at one staff meeting a month. At least 2 specialist courses to be run per year for staff.</p>	<p>1.NR &amp; PB</p> <p>2. NR</p>	

Page 172

Recommendation	Key activity	Progress milestones including target dates for either completion or progress	Officer responsible	Progress

**Section 7 – Sign Off and Publication**

<b>Name:</b> (signed off by)	
<b>Position:</b>	
<b>Date signed off:</b> (approved)	

**Section 8 Appendix – FOR OFFICE USE ONLY**

This section to be completed by the One Tower Hamlets team

**Policy Hyperlink:**

<b>Equality Strand</b>	<b>Evidence</b>
Race	
Disability	
Gender	
Gender Reassignment	
Sexual Orientation	
Religion or Belief	
Age	
Marriage and Civil Partnerships.	
Pregnancy and Maternity	
Other	
Socio-economic	
Carers	
<b>Link to original EQIA</b>	<b>Link to original EQIA</b>
<b>EQAID (Team/Service/Year)</b>	

17/11/14

# Agenda Item 10.1

<b>Committee:</b> Cabinet	<b>Date:</b> 9 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 65/123
<b>Report of:</b>  Corporate Director Development & Renewal  <b>Originating officer(s)</b> Chris Holme, Service Head (Resources) Paul Leeson, Finance Manager Katherine Ball, Senior Accountant Development & Renewal		<b>Title:</b>  Housing Revenue Account First Budget and Rent Setting report  <b>Wards Affected:</b>  All	

<b>Lead Member(s)</b>	Housing and Resources
<b>Community Plan Theme</b>	One Tower Hamlets
<b>Strategic Priority</b>	Ensuring Value for Money across the Council

## 1. SUMMARY

- 1.1 This report sets out officers' recommendations for 2013/14 rent levels and seeks Cabinet approval of the level of the 2013/14 rent increase necessary to maintain for the year ahead in order for the Council to comply with its statutory requirement to notify tenants.
- 1.2 As part of the move from Housing Subsidy to HRA Self-Financing, the CLG calculated a one-off debt settlement based on the valuation of each stock-owning Authority's housing business. For Tower Hamlets this meant that the loss of the annual subsidy entitlement was offset by the repayment of a large amount of outstanding housing debt.
- 1.3 In its valuation of the Authority's housing business, the CLG assumed that Authorities will continue to adhere to national social rents policy, whereby council housing rents should converge with those charged by housing associations by 2015/16, followed by rent rises at Retail Price Index (RPI) plus 0.5% each year thereafter. The applicable RPI is that prevailing in the September prior to the year of application; for 2013/14 rents this is based on RPI in September 2012 (2.6%).

## 2. DECISIONS REQUIRED

The Mayor in Cabinet is recommended to:-

- 2.1 Agree that the Authority will continue to follow rent restructuring guidelines, and that therefore, the average 2013/14 weekly rent increase for tenanted

Council dwellings will be £4.39 and the average weekly tenanted service charge increase will be £0.25 from the first rent week in April 2013.

- 2.2 Note that the HRA budget will be presented to Cabinet for approval in February 2013.

### **3. REASONS FOR THE DECISIONS**

- 3.1 The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

### **4. ALTERNATIVE OPTIONS**

- 4.1 The Council is not obliged to follow national rent policy, but any rent increase below that assumed in the business plan would put at risk the Council's ability to fund the future capital programme. Mayor and Cabinet can determine to increase rents either above or below that recommended; the financial consequences of either decision are set out in section 9 of this report.

### **5. BACKGROUND**

- 5.1 The Housing Revenue Account (HRA) relates to the activities of the Council as landlord of its dwelling stock. Since 1st April 1990 the Housing Revenue Account has been "ring-fenced"; this means that deficits on the Housing Revenue Account cannot be met from the General Fund. The HRA must remain in balance.
- 5.2 From April 2012, HRA Subsidy was abolished and replaced by self-financing, whereby a one-off adjustment was made to the housing debt of each council to reflect the assumed value of their housing business; some Authorities – including Tower Hamlets - had debt redeemed.
- 5.3 Following the start of Self-Financing, local authorities now retain all rental income, but are responsible for meeting all costs relating to council housing.
- 5.4 Cabinet on July 7<sup>th</sup> 2010 agreed the following financial principles to facilitate viability under self-financing, and these have been factored in as appropriate into the business plan assumptions:
- Income from the management of non-dwelling related HRA activities should aim to cover the total cost of providing these services to avoid being subsidised from tenant's rents;
  - Rents should not subsidise service charges, nor vice versa;



- The Council aims to achieve rent convergence in line with Government guidelines (currently 2015/16);
- High emphasis on debt collection is maintained to minimise provision for bad debts;
- Treasury management strategy for the HRA focuses on longer-term stability at a rate below the CLG discounted net present value.

## **6. HRA 30 YEAR FINANCIAL MODEL**

- 6.1 Under Self-Financing, each Authority is required to develop and maintain an HRA 30 Year Business Plan. Current modelling indicates that the Council can fund the capital works currently anticipated to be needed over the 30 year period, including the Decent Homes programme.

## **7. RISKS**

- 7.1 Notwithstanding the initial analysis suggesting that, overall, Tower Hamlets is able to finance the anticipated capital works needed over the 30 year period, there are a number of risks to the HRA in the short to medium term; the principal ones are highlighted below.

### **7.2 Right to Buy**

#### **7.2.1 Changes to the Right to Buy Policy**

From April 1<sup>st</sup> 2012 the policy in relation to the Right to Buy scheme changed, with the maximum discount offered to tenants in London increasing from £16,000 to £75,000. The government also allowed Local Authorities to enter into an agreement with the Secretary of State whereby Authorities would be allowed to retain part of the receipt from Right to Buy sales, providing that the retained receipts are spent on the re-provision of social housing within three years, and are limited to a maximum of 30% of the cost of the re-provision. Tower Hamlets returned its signed agreement to the Department of Communities & Local Government in September 2012.

#### **7.2.2 Right to Buy Applications**

Between April and October 2012 over 600 Right to Buy applications were received by Tower Hamlets Homes. Applications currently still number over 50 a month, although it is anticipated that this level of interest will reduce over future months.

#### **7.2.3 Right to Buy Sales**

There have been three Right to Buy sales since April 2012, all receiving the maximum discount of £75,000. Of the applications received to date, Tower Hamlets Homes estimates that 12% will reach completion, although until sales take place in greater number and a trend is discernible, this is a planning

assumption only. Current planning assumptions are that 100 sales will take place in each of the next three years.

#### 7.2.4 Impact of Right to Buy Sales on the HRA

As Right to Buy sales occur and properties change from tenanted to leasehold, there is a loss to the HRA of rental income, offset by higher leasehold service charges, leading to an approximate net loss to the HRA. Further details will be presented to Cabinet in the HRA 2013/14 Budget report in February 2013.

### 7.3 Welfare Reform

#### 7.3.1 Changes to the Benefits System

As detailed in a previous report to Cabinet, there are a number of changes being made to the benefits system that will lead to budget pressures within the HRA within the short to medium term. The main changes that will affect THH tenants are:

- (1) Benefit Cap
- (2) Under-occupancy.
- (3) Universal Credit and Direct Payments

#### 7.3.2 Impact of Welfare Reform changes on the HRA

Although the impact on the HRA will not become clear until the reforms come into effect, for budget planning purposes, Officers recommend that provision be made in the 2013/14 budget to reflect an anticipated increase in the amount of bad debt, equivalent to 3% of the 2013/14 rental income budget. This level of budget provision will need to be carefully monitored as the welfare changes take effect.

7.3.3 Further details will be presented to Cabinet in the HRA 2013/14 Budget report in February 2013.

### 7.4 Interest Rates & Debt

Over the next few years, the Authority will need to prudentially borrow in order to finance the capital programme. Although interest rates are currently at the historically low level of 0.5%, they will rise in the future, additionally, with a residual loan portfolio mostly consisting of variable rate market loans, the HRA will be exposed to interest rate risks.

### 7.5 Leaseholder Recovery

Leaseholders represent 40% of the total HRA stock, and where capital works required are of an external or communal nature, leaseholders are required to contribute to their share of the costs. The Tower Hamlets HRA 30 Year Financial Model assumes full recovery of leaseholder major works over a

period of seven years. However, this assumed profiling means that a high level of leaseholder major works “forward funding” is required, and it is therefore crucial that leasehold major works debt is pursued in a robust manner, as failure to do so will result in a budget pressure within the HRA.

## 8. 2012/13 LATEST BUDGET & PROJECTED OUTTURN

- 8.1 The latest HRA budget for 2012/13 was reported in the second quarter's budget monitoring report to Cabinet on December 5<sup>th</sup> 2012, with a forecast year-end underspend of £0.468m.

## 9. RENT RESTRUCTURING AND RENT IMPLICATIONS 2013/14

- 9.1 The original aim of rent restructuring was to put all council house rents on the same clear and transparent basis, to enable comparisons to be made with housing association rents in the same area.
- 9.2 At the end of rent restructuring, councils would be charging formula rents for their properties which would take into account:
- the size of a property
  - the value of a property (as a social rented property)
  - average earnings in that council's area
  - a percentage uplift each year to reflect inflation and government policy
- 9.3 Officers are recommending that rent restructuring is followed, and that a rent increase limited to RPI + 0.5% + £2 a week is agreed; indications are that other inner and outer London authorities are also proposing to follow rent restructuring. This will lead to an average 2013/14 rent increase of 4.47%.
- 9.4 The proposed 2013/14 increase of 4.47% is substantially lower than the 2012/13 rent increase of 7.5%. Even taking into account a 4.47% increase, the 2013/14 rents charged by the Council will continue to be the lowest in the borough; Table 1 below shows a comparison between weekly 2013/14 LBTH rents and 2011/12 rents for other Housing Providers in Tower Hamlets.

		1 Bed	2 Bed	3 Bed	4 Bed	5 bed
2013/14	<b>LBTH Social Rents</b>	£92	£104	£117	£132	£146
2011/12	<b>Target Rents (RPs)</b>	£135	£142	£150	£150	£158
2011/12	<b>POD Affordable rent levels</b>	£192	£214	£240	£271	£298
2011/12	<b>Local Housing Allowance</b>	£240	£290	£340	£400	£400
2011/12	<b>80% Market rents</b>	£237	£311	£385	£433	£530
2011/12	<b>Market rents</b>	£296	£389	£481	£542	£662

Table 1 – Weekly rents in Tower Hamlets (prices per week)

- 9.5 Rent increases below the Government guideline - The Final HRA Self-Financing Determination assumed that Councils would continue to increase rents in order to achieve rent convergence in 2015/16. If the Council decided to increase rents at a lower rate, then there would be a net loss of income to the HRA compared to what has been assumed in the valuation. Each 1% less than guideline rent equates to an estimated net loss of approximately £630,000; this income would be removed from the HRA's base budget, and, unless costs were reduced by an equivalent amount, this would lead to a budget pressure within the HRA, and a possible inability to fund the anticipated capital programme over 30 years.
- 9.6 Rent increases above the Government guideline - Increases in excess of those necessary to achieve rent convergence in 2015/16 are possible, but the Authority may not benefit from the full amount of the additional rent generated. Although rental income would rise, the Authority could potentially exceed the 'Limit Rent' used to control Housing Benefit grant paid to the Authority by the Government. Any benefit paid in respect of Local Authority rents that exceed the 'Limit Rent' is ultimately, under statute, an additional charge to the HRA. Due to the relatively large number of Tower Hamlets tenants in receipt of benefits, this impact would be substantial.

## **10. HRA BUDGET 2013/14**

- 10.1 The 2013/14 HRA estimates will be considered by Cabinet in February.
- 10.2 To ensure that a rent increase is operative from the first rent week in April 2012, a Cabinet decision on the rent increase must be made in January to enable all scrutiny requirements to be met, and rent notices to be issued.

## **11. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 11.1 The report recommends that Members adopt the level of rent necessary to follow rent convergence guidelines – as was assumed by the Government in the HRA Self-Financing Final Determination. This rent increase will ensure that over the medium to long-term, the Authority is able to finance the capital programme.
- 11.2 Although the Council is able to determine its own level of rent, section 9 of the report highlights the financial implications of departing from assumptions in the Self-Financing Draft Determination. From April 2012 the Authority will be responsible for the financing of all expenditure necessary to maintain and improve the housing stock, including completion of the Decent Homes programme. As referred to in paragraph 9.5, each 1% less than guideline rent equates to an additional ongoing net loss of over £600,000 per annum; this would be a permanent reduction in income to the HRA's base budget.

## **12. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 12.1 The report seeks agreement to rent increases in amounts specified in section 2.1. The Council has power under section 24 of the Housing Act 1985 to make reasonable charges for the tenancy or occupation of its houses. The Council is required to review from time to time the rents that it charges for the tenancy or occupation of its dwellings.
- 12.2 The Council is subject to an obligation under Part VI of the Local Government and Housing Act 1989 to maintain a housing revenue account (HRA). The Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance.
- 12.3 The report correctly identifies the effect of Chapter 3 of Part 7 of the Localism Act 2011, both in relation to removal of the HRA subsidy and the determinations made by the Secretary of State for settlement payments to local authorities. It is reasonable for the Council to have regard to the matters set out in the report, relevant to self-financing and the likely income to the HRA when determining the rent it will charge.
- 12.4 The Council may increase the rent by giving four weeks' notice to tenants. The notice period appears from section 103(4) of the Housing Act 1985, but also from the terms of the Council's standard tenancy agreement.
- 12.5 Before setting rents as proposed in the report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Information relevant to these considerations is contained in the One Tower Hamlets section of the report.

## **13. ONE TOWER HAMLETS CONSIDERATIONS**

- 13.1 A detailed equality impact assessment is attached at Appendix 1.
- 13.2 As set out in the report, the Council is subject to an obligation to determine proposals targeted at maintaining a positive balance in the Housing Revenue Account. The aim of this report is to agree a level of rents that strikes the balance between maximising resources available to the Council for social housing purposes, and avoiding undue additional hardship to vulnerable tenants. If rents are not increased then additional savings will have to be identified to ensure that Tower Hamlets has a sustainable, balanced HRA business. Those savings will impact upon services relating to both the

management and maintenance of the housing stock, and are likely to impact upon specific services supporting vulnerable residents. It is considered that a rent increase of the size proposed in the report strikes the right balance and provides the best overall outcome for residents, allowing services to be maintained. For the same reason, the rent increase is considered preferable from an equalities perspective.

- 13.3 The Housing Benefits system is designed to ensure a proportionate level of protection for low-income residents. This is reimbursed by Central Government, but only up to "Limit Rent" levels, as outlined in paragraph 9.6.

#### **14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 14.1 There are no specific implications arising directly from this report, however the Housing Revenue Account does finance initiatives to promote and maintain a greener environment. These are managed by Tower Hamlets Homes.

#### **15. RISK MANAGEMENT IMPLICATIONS**

- 15.1 With the introduction of Self-Financing, Tower Hamlets is responsible for running its HRA as a viable business, using HRA income in order to fund all HRA expenditure, including the capital works necessary to maintain and improve the housing stock, and the Decent Homes programme.
- 15.2 Various areas of risk and uncertainty are highlighted in section 7, in particular the reinvigorated Right to Buy regime and the forthcoming Welfare Reform changes. Over the next few months, it will be essential that the HRA medium-term financial strategy be kept under review, and updated to reflect changes in economic conditions and policy changes.

#### **16. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 16.1 There are no specific crime and disorder reduction implications arising directly from this report, however the Housing Revenue Account does finance various crime prevention and safety initiatives which are managed by Tower Hamlets Homes.

#### **17. EFFICIENCY STATEMENT**

- 17.1 Draft estimates for the 2013/14 HRA budget will incorporate savings, both those already agreed by Cabinet, and those necessary to ensure that the HRA remains in balance in 2013/14. The draft estimates will be presented to Cabinet in February.

## **18. APPENDICES**

### **18.1 Appendix 1 – Equalities Impact Assessment**

---

#### **Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 List of “Background Papers” used in the preparation of this report**

There are no background papers applicable to this report

This page is intentionally left blank



# Agenda Item 10.2

<b>Committee/Meeting:</b> <b>CABINET</b>	<b>Date:</b> <b>9<sup>th</sup> January 2013</b>	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 66/123
<b>Report of:</b> Chris Naylor - Corporate Director of Resources  <b>Originating officer(s)</b> Alan Finch –Service Head, Financial Services, Risk & Accountability  Roger Jones, Head of Revenue Services		<b>Title:</b> <b>Calculation of Council Tax Base 2013/14 and Technical reforms to Council Tax &amp; Section 13A Local Discounts</b>  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Councillor Alibor Choudhury
<b>Community Plan Theme</b>	All
<b>Strategic Priority</b>	All

## 1. **SUMMARY**

- 1.1 The Coalition Government, via the Department of Communities, Localities and Local Government, (DCLG) has proposed a number of technical reforms to the current Council Tax legislation which will come into effect from 1st April 2013. This paper sets out the options for the Council to amend it's policies and the issues that need to be resolved, together with initial findings around the potential increase in the yield from the tax base which will be further developed over the coming months.
- 1.2 The calculation of council tax base for 2013/14 with or without the proposed abolition of discounts outlined in section 5 of this report.

## 2. **DECISIONS REQUIRED**

- 2.1 The Mayor in Cabinet is recommended to consider and agree that:
  - in relation to second homes, furnished empty properties, properties undergoing refurbishment, and new properties, the Council can charge up to 100% of the full Council Tax payable;
  - for properties empty for more than 2 years, a levy of 1.5 times the full Council Tax payable be charged; and
  - agree the policy on "Section 13a Council Tax Reductions"

- 2.2 Approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, that the amount calculated by the London Borough of Tower Hamlets as its Council Tax Base for the year 2013/14 shall be 71,531 including the technical changes.

### **3. REASONS FOR THE DECISION**

- 3.1 To provide a simplified Council Tax policy and promote occupation of empty properties
- 3.2 The scheme for calculation of council tax established under the Local Government Finance Act 1992 requires local authorities to agree their Council Tax Base and to notify it to the preceptors (GLA) by 31st January 2013.
- 3.3 If the tax base is not agreed and notified to the Preceptor by 31st January 2013, this may prejudice the calculation of Council Tax for 2013/14.

### **4. ALTERNATIVE OPTIONS**

- 4.1 The Council is obliged to consider the Government's technical reforms and agree its response to them.
- 4.2 The recommendations contained within this report are made in line with the statutory requirements outlined in sections 3.2 and 3.3 of this report; and the alternative options in setting its Council Tax Base.

### **5. BACKGROUND**

#### **Technical reforms to Council Tax**

- 5.1 Setting the agenda for decentralisation and localism is one of the Coalition Government's core objectives. In the consultation document on these technical reforms the goal is clearly to redistribute the power and funding from government to local people and to deliver what they want for their communities. It is acknowledged that there are many pressures that will impact on the level of Council Tax and that there are a number of new Government initiatives that will mitigate the impact on the Council's revenue streams. The proposals below must therefore be seen in the context of:

- Stringent local government finance settlements for the next few years
- Proposals regarding the localisation of business rates; and
- Proposals to replace council tax benefit with local Council Tax Support, which Members have already considered.

In summary, the changes being put forward include:

- giving billing authorities power to levy up to full council tax on second homes;
- replacing some current exemption categories with discounts, the amount and period of which would be for the Council to determine.
- allowing billing authorities to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more.

5.2 The proposed technical changes to council tax provide an opportunity for the Council to increase the yield from the existing council tax base.

5.3 Although there is potential to increase the yield from the Taxbase, it should be recognised that the figures in this report should only be seen as a guide as to what is currently classified as entitled to relief. The current estimates of properties that will be impacted by proposed changes are detailed below.

#### 5.4 Second Homes

Currently second homes are charged 90% of the full council tax. As of 1 August 2012 1,795 properties fell into this category, giving a total relief of £261,448.70.

2nd Homes	No.	Relief (p.a)	Total Relief
Band A	33	£79.48	£2,622.84
Band B	88	£92.73	£8,160.24
Band C	245	£105.97	£25,962.65
Band D	367	£119.22	£43,753.74
Band E	423	£145.71	£61,635.33
Band F	352	£172.21	£60,617.92
Band G	245	£198.70	£48,681.50
Band H	42	£238.44	£10,014.48
	1795		<b>£261,448.70</b>

From 1 April 2013, it is proposed that the maximum 100% of the full Council Tax payable is charged to properties in this category.

## 5.5 Furnished Empty Properties

These are mainly empty properties between tenancy periods and are currently charged at 90% of the full council tax payable. It is proposed, to encourage landlords to let their properties as quickly as possible, to charge 100% of the full Council Tax payable. As of the 1st August 2012, 2,831 properties fell into this category, giving a total relief of £363,154.96.

Furnished Voids	No.	Relief (p.a)	Total Relief
Band A	55	£79.48	£4,371.40
Band B	297	£92.73	£27,540.81
Band C	698	£105.97	£73,967.06
Band D	716	£119.22	£85,361.52
Band E	618	£145.71	£90,048.78
Band F	297	£172.21	£51,146.37
Band G	127	£198.70	£25,234.90
Band H	23	£238.44	£5,484.12
	2831		<b>£363,154.96</b>

## 5.6 Empty Dwellings

### Dwellings requiring/undergoing major repair or structural alteration.

The proposal is to abolish this current exemption and require payment of 100% of Council Tax. Few properties fall into this category historically and the aim of raising this charge is to encourage completion of the work and therefore, make accommodation available for re-occupancy. As of the 1st August 2012, 72 properties fell into this category, giving a total relief of £81,602.25.

Exempt A	No.	Relief (p.a)	Total Relief
Band A	1	£794.83	£794.83
Band B	24	£927.30	£22,255.20
Band C	21	£1,059.77	£22,255.17
Band D	12	£1,192.24	£14,306.88
Band E	9	£1,457.18	£13,114.62
Band F	4	£1,722.12	£6,888.48
Band G	1	£1,987.07	£1,987.07
Band H	0	£2,384.48	£0.00
	72		<b>£81,602.25</b>

**New properties unoccupied and substantially unfurnished and dwellings becoming unoccupied by virtue of there being no one living there.**

This category of empty property currently attracts an exemption for up to 6 months. As Members will be aware, Tower Hamlets has more new properties being created than anywhere else in the country.

<b>Council Tax Base Increase</b>					
October 2008	October 2009	October 2010	October 2011	September 2012	%Increase
100,053	104,082	107,059	109,932	113,274	13.3%

The proposal is to abolish this current exemption and require payment of 100% of the full Council Tax payable. As of the 1st August there are 1,262 properties falling into this category, giving a total relief of £1,116,507.04.

Exempt C	No.	Relief (p.a)	Total Relief
Band A	32	£794.83	£18,816.80
Band B	292	£927.30	£196,079.51
Band C	450	£1,059.77	£371,944.84
Band D	272	£1,192.24	£265,719.54
Band E	152	£1,457.18	£172,681.79
Band F	38	£1,722.12	£50,262.34
Band G	19	£1,987.07	£28,047.63
Band H	7	£2,384.48	£12,954.59
	1262		<b>£1,116,507.04</b>

**Properties empty for more than 2 years.**

The new technical changes allow a billing authority to levy an 'empty homes premium' in respect of dwellings which have been left empty for two years or more. There are a small number of properties but Members may wish to agree a levy of 1.5 times the full Council Tax charge for such properties, again as an incentive for landlords to ensure properties are re-let as soon as possible. It is likely that a large proportion will become occupied if this premium is adopted so very little potential additional income will be realised.

Void over 2 years	No.	Charge	Additional charge	Potential Increase in income
Band A	9	£794.83	£397.42	£3,576.74
Band B	61	£927.30	£463.65	£28,282.65
Band C	37	£1,059.77	£529.89	£19,605.75
Band D	23	£1,192.24	£596.12	£13,710.76
Band E	18	£1,457.18	£728.59	£13,114.62
Band F	10	£1,722.12	£861.06	£8,610.60
Band G	36	£1,987.07	£993.54	£35,767.26
Band H	13	£2,384.48	£1,192.24	£15,499.12
	207			£138,167.49

### **Repossessions.**

This provision will allow Local Authorities to reduce or withdraw the period of exemption offered to properties having been re-possessed by the mortgagor. Currently the bank or building society does not become liable for council tax on taking possession and the owner becomes exempt under class L.

The Government intention is that the mortgagee will be made responsible and that the local authority will be able to charge the mortgagee in possession rather than allowing a council tax exemption.

There are 16 properties falling into this category, giving a total relief of £18,248.00.

Mortgagee in possession		
	No.	Total Relief
Band A	0	0
Band B	3	£2,344.93
Band C	4	£3,327.39
Band D	5	£5,598.63
Band E	2	£2,515.13
Band F	0	0
Band G	0	0
Band H	2	£4,461.92
	16	£18,248.00

### **5.7 Discount**

- 5.8 Under S13A of the Local Government and Finance Act 1992, the Council has discretion to reduce the amount of Council Tax payable that is not covered by statutory set discounts and exemptions. This discretion can be exercised in relation to particular cases or by determining a class of case. The reduction can be for a specific period of time and the liability can be reduced by any amount the Council thinks fit. In the last 3 years, the Council has twice agreed such a discount in relation to Pensioners. To ensure these discounts are managed appropriately, alongside the technical changes discussed above, it seems an opportune time to review our Section 13a policy on awarding local discounts.
- 4.9 The Council has the option to reduce the amount of Council Tax an individual person is liable to pay by any amount, from nil to 100% and for any period. The amount and duration of the reduction and whether to allow a local discount is at the discretion of the Council and can be by delegation.
- 5.10 With the many changes to how local government is funded, it is essential that the Council has a clear policy on the decision making process in terms of giving local discounts from payment of Council Tax.
- 5.11 Under the Act, there is no right of appeal against the Council's use of discretionary powers; however, the Council will accept a customer's request for a further review of its decision.

5.12 Attached at Appendix A is the draft Policy for comment and agreement.

## 6. ISSUES

The starting point for proposing these changes has been recognition of the significant financial pressure on the Authority and the commitment to have all suitable accommodation within the borough occupied, and consequently, raising maximum income from the Tax Base. As such, the proposals are all setting the Council's discretion at the maximum end of the spectrum. This however, will produce significant challenges administratively, and will require investment in terms of resources, to collect and enforce the additional income. It may well be worth continuing to give an exemption period of 1 month for new and substantially unfurnished properties, and properties undergoing structural alterations, to allow landlords and developers to complete the work and find new occupiers or owners. It is noted though that if minded, Members could reduce the tariffs suggested in this report.

The suggested changes will bring some challenges:-

- The need for additional resources to undertake inspections and to issue completion notices for all new banded properties
- The increased in costs for social landlords. On current reliefs awarded, for Tower Hamlets Homes, this could amount to over £145,000.

## 7. SUMMARY OF ESTIMATED ACHIEVABLE INCOME

Exemption/ Discount	Current Position	Proposed Position from 1/4/13	Estimate of Additional Income
<b>Class A Uninhabitable Properties</b>	12 Months Exemption	To be charged full Council Tax.	£40,801.12
<b>Class C – empty unfurnished properties</b>	6 Months Exemption at 100%	Reduce exemptions to 1 month then full charge, but 434 are RSL owned and 166 THH owned.	£502,428.15
<b>Class L – mortgagees in possession</b>	6 months exemption at 100%	Charge the Mortgagor full charge & assume 97% collection rate	£17,700.56
<b>Second Homes</b>	10% discount	Remove Discount & assume 97% collection	£253,605.24
<b>Empty Furnished Properties</b>	10% discount	Remove Discount & assume 97% collection	£352,259.38
<b>Long Term Empty Properties</b>	Currently pay full charge	Will pay additional 50% premium. Assumed only 10% may remain unoccupied	£13,816.74
<b>Total estimated potential extra yield</b>			£1,180,611.19
<b>GLA Share (25.7%)</b>			£303,417.07
<b>LBTH Share (74.3%)</b>			£877,194.12

## **8 COUNCIL TAX BASE**

- 8.1 The Council Tax legislation requires local authorities to agree their Council Tax Base and to notify it to the preceptors by 31st January 2013
- 8.2 The tax base is central to the Council Tax system because it is the means by which the budget is translated into tax levels. For the next financial year, the estimated tax base 71,531 inclusive of technical changes. The calculation is set out at Appendix B.
- 8.3 A simple way of looking at this is, broadly, if £1.00 is added to the band D tax, this would raise £71,531 for the General Fund Budget.
- 8.4. In the event that the Cabinet does not agree the technical changes, the Council Tax Base would be 70,518 as set out at Appendix C.

## **9 CALCULATION OF THE TAX BASE**

- 9.1 The tax base calculation must take account of:
- the number of properties in each band, including estimated changes during the year (for Tower Hamlets this includes an estimated increase in property numbers due to the continuing regeneration of the borough);
  - the number of discounts, taking account of estimated changes during the year and; and
  - estimated collection rate; the 2013/14 tax base has been calculated on the basis of a collection rate of 96%.

## **10. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 10.1 The report sets out proposals for changing local discretions in relation to Council Tax in response to recent changes in legislation. As the report indicates this would mainly affect landlords, developers and occupants of second homes in the Borough. It would be very unlikely to affect those on Council Tax support.
- 10.2 The financial impact of these changes is hard to assess, and the purpose of some of the changes, particularly those around empty properties may be to disincentive landlords and developers from keeping properties empty too long, with positive effects on housing supply, as opposed to raising revenue. It is estimated that the Council's share of additional Council Tax income raised may be in the region of £877,000 per year, equivalent to just over 1% of Council Tax income in 2012/13, but this figure could be higher or lower depending upon changes in behaviour and collection rates.
- 10.3. Government Ministers have suggested that authorities make use of these changes to help fund Council Tax Support schemes in the wake of the 10% cut in funding imposed. It will be noted that this estimated additional income would not in itself be sufficient to cover the 10% reduction in funding for



dCouncil Tax support, which for Tower Hamlets stands at £2.6m. However it would assist in mitigating the gap in the MTFP.

10.4. The setting of the Council Tax base is a statutory requirement on the Council.

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

11.1 The Council is required by section 33 of the Local Government Finance Act 1992 (“the Act”) to calculate for each financial year the basic amount of its council tax. The basic amount of council tax must be calculated according to a prescribed formula that uses the amount which is calculated by the Council as its council tax base. The council tax base is in turn calculated by reference to a formula prescribed in the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (“the Tax Base Regulations”) (as amended)

11.2 The Council is required to submit its council tax base to the GLA between 1 December and 31 January in the financial year preceding the financial year for which the calculation of council tax base is made. This is the effect of section 33(1) of the Act and regulation 8 of the Tax Base Regulations. If the Council does not submit its council tax base to the GLA, then the GLA is required to determine the calculation for itself, in the manner prescribed in the Tax Base Regulations.

11.3 The preparation, for submission to Full Council for consideration, of estimates of the amounts to be used for the purposes of calculating the basic amount of council tax is an executive function by virtue of regulations 4(9) – 4(11) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.

## **12. ONE TOWER HAMLETS CONSIDERATIONS**

12.1 Affects all Council Tax payers with in the borough

12.2 Calculation of the Council’s tax base is an important step towards calculation of the basic amount of council tax. The calculation of council tax is a key element of the Council’s budget, which will enable it to deliver on its Strategic Plan and, in turn, the Community Plan.

12.3 The Council’s Strategic Plan is focused upon meeting the needs of the diverse communities living in Tower Hamlets. The Key Themes reflect diversity issues and there are key equality milestones in relation to delivering One Tower Hamlets.

## **13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

13.1 None.

## **14. RISK MANAGEMENT IMPLICATIONS**

- 14.1 If the tax base is not agreed, the Council will not be able to set a legal budget for 2013/14 and notify the preceptor by 31st January 2013. Consequently the Council may be open to legal challenge and also affect the budget setting arrangements for the GLA.

**15. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 15.1 None.

**16. EFFICIENCY STATEMENT**

- 16.1 None

**17. APPENDICES**

Appendix A Draft policy on Section 13a Council Tax Reductions

Appendix B Calculation of Council Tax Base Estimate 2013/14 without technical changes

Appendix C Calculation of Council Tax Base Estimate 2013/14 with technical changes

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

**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.
--	---

# Revenues Services

---

## **Policy for determining applications for Council Tax Reduction under Section 13A of the Local Government Finance Act 1992**

---

3<sup>rd</sup> August 2012

## **GUIDELINES**

The Council will consider using its powers to reduce Council Tax liability for any council tax payer or class of payer and treat all applications on their individual merit.

Ordinarily, the Council would expect there to be exceptional circumstances to justify any individual reduction and that the reduction would normally only be intended as short term assistance and should not be considered as a way of reducing council tax liability indefinitely. However, with the changes to local government funding and welfare reform, there may be increasing pressure to accept applications for reductions in Council Tax.

Each case will be reviewed annually or earlier where deemed appropriate.

Requests for reduction in Council Tax liability will be required in writing from the customer, their advocate/appointee or a duly authorised third party acting on his/her behalf and submitted to the Councils Revenue Services Team.

- There must evidence of financial hardship or personal circumstances which are exceptional and justify a reduction in Council Tax liability.
- The council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The council's finances will allow for a reduction to be made.
- The customer's eligibility to Council Tax benefit/Council Tax Reduction has been applied for and checked.
- All other discounts, exemptions and relief's have been awarded to the customer for which they are eligible.
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect.
- It is reasonable to award a reduction having regards to the interests of other local Council Tax payers

## **Procedure for determining applications for specific classes of reduction and individual one-off applications for reduction**

The procedure for determining individual applications will require the Revenue Services Manager making a recommendation to the Corporate Director of Resources.

The report will record the effect on other taxpayers, financial or otherwise, and will include whether

- It will be likely that the majority of local residents will, on the balance of probabilities, agree with the decision.
- The Council's finances will allow for the reduction to be made

The Corporate Director of Resources will determine whether a payment will be made and determine the amount and duration of the award.

However if the Corporate Director of Resources should decide that, based on an application and/or recommendation, consideration should be given to creating a specific class of reduction, a proposal should be made to Cabinet, who would accordingly have the power to create, amend or cancel any specific class of reduction.

The Council will notify a customer of its decision within 21 days of receiving sufficient information to make a decision.

Whilst under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of these discretionary powers, the Council will accept a request from a customer for a re-determination of its decision within one month of the date of the letter informing the customer of the decision.

The review process will involve consideration of the request on its 'merits', the Corporate Director of Resources having regard to any additional information that will justify a change to the original decision.

Any appeal in respect of a class of reduction should be referred back to Cabinet for reconsideration with a recommendation to Full Council

The Council will notify the customer of its decision within 21 days of receiving a request for a re-determination.

There is no entitlement to withhold the payment of Council Tax pending the determination of an application for relief or request for a review. Receipt of an application for relief will not negate the taxpayer's obligation to pay the Council Tax.

The Council will consider using its powers to reduce Council Tax liability for any council tax payer or class of payer and treat all applications on their individual merit.

## **Policy Review**

This policy will be reviewed by a meeting of the Full Council each year in March. It can be reviewed earlier should cases arise that highlight that an amendment is necessary.

**Calculation of Council Tax Base Estimate 2013/14 with technical changes**

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1 Total Dwellings	2,356	25,738	35,703	22,837	17,094	7,969	3,129	458	115,283
2 Exempt Dwellings	1,041	1,473	1,469	1,016	967	373	141	16	6,495
3 Disabled Reduction	1	28	51	38	41	24	11	6	200
4 Account for Disabled Reduction	27	23	-	3	17	-	5	194	199
5 Total Chargeable Dwellings	1,342	24,288	34,221	21,824	16,110	7,583	2,983	636	108,986
6 25% Discounts	834	13,448	12,315	6,936	3,918	1,623	620	75	39,769
7 50% Discounts	10	12	18	10	14	2	11	9	86
8 10% Discounts	-	-	-	-	-	-	-	-	-
9 Total equivalent number of discounts	214	3,368	3,088	1,739	987	407	161	23	9,985
10 Net Chargeable Dwellings	1,128	20,920	31,133	20,085	15,124	7,176	2,822	613	99,001
11 Band Proportion	2/3	7/9	8/9	1	1 2/9	1 4/9	1 2/3	2	-
12 Number of band D equivalent properties	752	16,271	27,674	20,085	18,485	10,365	4,704	1,226	99,562
13 Council Tax Support Estimate									- 25,050
14 Revised Band D Equivalents									74,512
15 Estimated collection rate									96%
16 <b>LBTH Taxbase 2013/2014</b>									<b>71,531</b>

**Calculation of Council Tax Base Estimate 2013/14 without technical changes**

Estimate 2013/2014 (excl Tech. Changes)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
1 Total Dwellings	2,356	25,738	35,703	22,837	17,094	7,969	3,129	457	115,282
2 Exempt Dwellings	1,055	1,592	1,645	1,120	1,027	392	149	19	6,998
3 Disabled Reduction	1	28	51	38	41	24	11	6	200
4 Account for Disabled Reduction	27	23	-	3	17	13	-	5	199
5 Total Chargeable Dwellings	1,328	24,169	34,045	21,720	16,050	7,564	2,975	632	108,482
6 25% Discounts	834	13,448	12,315	6,936	3,918	1,623	620	75	39,769
7 50% Discounts	10	12	18	10	14	2	11	9	86
8 10% Discounts	249	408	1,068	1,142	1,104	712	379	63	5,126
9 Total equivalent number of discounts	238	3,409	3,195	1,853	1,097	478	198	30	10,498
10 Net Chargeable Dwellings	1,089	20,760	30,850	19,867	14,953	7,086	2,776	603	97,984
11 Band Proportion	2/3	7/9	8/9	1	1 2/9	1 4/9	1 2/3	2	-
12 properties	726	16,147	27,422	19,867	18,276	10,235	4,627	1,205	98,506
13 Council Tax Support Estimate									- 25,050
14 Revised Band D Equivalents									73,456
15 Estimated collection rate									96%
16 <b>LBTH Taxbase 2013/2014</b>									<b>70,518</b>



# Agenda Item 10.4

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 9 January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 68/123
<b>Report of:</b> Corporate Director Resources  <b>Originating officer(s)</b> Steve Hill – Head of Benefits Services		<b>Title:</b> London Borough of Tower Hamlets Council Tax Support Scheme  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Councillor Alibor Choudhury
<b>Community Plan Theme</b>	A Prosperous Community
<b>Strategic Priority</b>	Manage the impact of welfare reform on local residents

## 1. **SUMMARY**

- 1.1 The Coalition Government, via the DCLG (Department of Communities, Localities and Local Government) has decided to abolish national Council Tax Benefit with effect from 1st April 2013 and compel Local Authorities to devise their own local Council Tax Support schemes to replace Council Tax Benefit.
- 1.2 From April 2013, Subsidy for the new local Council Tax Support scheme is likely to be at least 10% less than is currently provided in respect of the Council Tax Benefit Scheme. This equates to a reduction in funding to the Council of approximately £3m.
- 1.3 Pensioners are protected under the new scheme and their entitlements cannot be reduced however, the new scheme will impact upon approximately 25,000 working age claimants in the Borough.
- 1.4 In determining a new local Council Tax Support scheme, each Council must decide whether to pass on the 10% cut to working age households.
- 1.5 Cabinet decided on 25<sup>th</sup> July 2012 that the Council should agree a model which introduces a means tested Council Tax Support scheme which broadly mirrors the existing Council Tax Benefit scheme from April 2013.
- 1.6 Cabinet also agreed in principle, not to pass on the 10% reduction in Council Tax Benefit Subsidy to residents for 2013-14 through 2014/15 at a cost of around £2.655m per annum in respect of loss of Government funding.
- 1.5 The Council must have agreed a new scheme before the end of January 2013 or the Council will have the DCLG default scheme imposed on it and it will have to meet the reduction from Council funds.

## 2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended:

- 2.1 To agree the proposed Council Tax Support scheme as the replacement to Council Tax Benefit from April 2013. (The draft scheme is published on the Council's website)
- 2.2 To note the results of the public consultation on the Council Tax Support scheme.2.3 Note that the scheme will need to be agreed by full Council.
- 2.3 To note that adoption of the scheme will enable the council to apply for part of a £100m DCLG transition grant.

## 3. **REASONS FOR THE DECISIONS**

- 3.1 The Council is obliged to agree a local Council Tax Support scheme to replace the national Council Tax Benefit Scheme which will be abolished in April 2013. Since Cabinet's decision on the 25<sup>th</sup> July, the Council Tax Support scheme for Tower Hamlets has been designed and developed, and consultation in accordance with the requirements currently indicated in the Local Government Finance Bill 2010-2012 has taken place. This report updates Members on the progress made and sets out the decisions that are now required.
- 3.2 The local Council Tax Support scheme needs to be submitted to DCLG by 31st January 2013.

## 4. **OPTIONS CONSIDERED**

- 4.1 The Council is required by law to put in place a council tax reduction scheme by 31 January 2013. If it does not do so, then the Government's default scheme will apply in Tower Hamlets. The default scheme is set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and is publicly available.
- 4.2 The Council has limited discretion as to the contents of its council tax reduction scheme, as the scheme must contain the matters required by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. The chief area of discretion relates to non-pensioners, in respect of whom a means-based approach is proposed as set out in the report.
- 4.3 It is also proposed, for reasons set out in the report, that the scheme is framed so as to permit the Council not to pass on the Government's 10% reduction in funding.

- 4.4 An alternative approach would be possible, but may require further consultation and analysis.

## **5. THE NEW COUNCIL TAX SUPPORT SCHEME**

- 5.1 In July, Members were informed of the tight timetable for the adoption of a new scheme, issues that had still to be clarified by the Government and the raft of other changes brought about by the Welfare Reform Agenda. As such, it was felt that the Council's local scheme should broadly mirror the existing Council Tax Benefit scheme, which residents already understand. Mirroring the existing means testing arrangements also minimises Benefits Service administration costs for the new scheme.
- 5.2 The Council has consulted with precepting authorities and local residents on the proposed Council Tax Support Scheme. It has also held a public consultation on the proposed scheme via East End Life and the Council's website. Very few comments were received and none that have caused an amendment to the proposed scheme.
- 5.3 This level and type of response is in line with that received by other London Authorities proposing to meet the 10% funding reduction.
- 5.4 In addition to the consultation exercise, the proposed Council Tax Support scheme is available to the public on the Council's website and the Benefits Service is continuing to accept any comments, ideas or suggestions on the proposed scheme up until its adoption by full Council.
- 5.4 The proposed means tested Council Tax Support scheme broadly mirrors the existing Council Tax Benefit scheme is therefore the one that it proposed.
- 5.5 In agreeing such a scheme with the criteria described above and before the deadline imposed by the DCLG, allows the Authority to apply for a proportion of the recently announced DCLG £100m transition grant. It is expected that this could amount to £540k for the Council.
- 5.6 In the event that the Council fails to devise, agree and implement a local Council Tax Support scheme by the 31<sup>st</sup> January deadline, the DCLG will impose the default scheme which does not incorporate any scope to offset the 10% shortfall in Government Funding. However, the Council would be able to apply for transitional grant funding if it has the default scheme imposed on it.
- 5.7 A decision not to pass on the 10% Government funding reduction avoids the need to otherwise collect relatively small amounts of Council Tax from residents who are financially vulnerable.
- 5.8 If the 10% were passed on, approximately 25,000 working age claimants would have had an increase in the amount of Council Tax they have to pay. Of these, around 16,000 currently receive 100% benefit (less any non-

dependant charges that may apply) will therefore not be used to making payments for their Council Tax and will be receiving relatively small bills.

- 5.9 The cost of collection would likely to be proportionately higher as it could be expected that a larger proportion would have defaulted on their instalment plan. It is very difficult to estimate how collection in this area would fare, with estimates of between 25% and 70%. There is no doubt however, that bad debt provisions would have needed to be addressed to reflect the lower collection levels for these taxpayers. The decision not to pass on the 10% Government funding reduction avoids these problems.
- 5.10 The Council's proposed scheme adopts the elements required by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. In this respect it follows closely the Government's default scheme, but is different from that scheme in the following respects –
- it is a local scheme
  - It is not a scheme imposed on the Authority
  - It fully disregards War Pensions
  - It introduces discretion to set up an internal appeal process prior to referring to the national Appeals process

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

- 6.1 This report describes the new Council Local Council Tax Benefit Scheme to be introduced from 1<sup>st</sup> April 2013 that replaces the current national scheme which must be agreed by the Council before the end of January 2013.
- 6.2 Cabinet on 25<sup>th</sup> July 2012 agreed a number of decisions in principle regarding the introduction of a new Council Tax Benefit scheme namely not to pass on a predicted 10% cut in Council Tax Benefit funding received by the Council to claimants by reducing their Council Tax Benefit.
- 6.3 The reduction in funding for the new scheme is estimated to cost the Council approximately £2.655m per annum for 2013-14 and 2014-15 and the Medium Term Financial Plan has provided for this reduction in the Council's budgeted income from 2013/14 onwards. Also, the Council will apply for and is expected to receive £540k from transitional grant from the Government for the new scheme in 2013-14. However, if the Council fails to agree its own local scheme a default government scheme will be imposed that does not include the option not to pass on the 10% reduction in Council Benefit to claimants.
- 6.4 There is a risk that given the current general economic environment and the changes to the welfare benefit system, the number of claimants could rise significantly over the next few years. If this were to be the case then there could be additional costs over and above those quoted in the report.

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

- 7.1 On 31 October 2012, the Local Government Finance Act 2012 amended the Local Government Finance Act 1992 (“**the 1992 Act**”) to introduce a requirement for local council tax reduction schemes. Section 13A of the 1992 Act and Schedule 1 to the Act require each billing authority in England to make a scheme specifying the reductions which are to apply to council tax payable in respect of dwellings situated in its area by: (a) persons considered by the authority to be in financial need; and (b) classes of persons considered by the authority to generally be in financial need. The Council is required to have a council tax reduction scheme in place by 31 January 2013.
- 7.2 Schedule 1A to the 1992 Act requires that the council tax reduction scheme address the following matters –
- The scheme must state the classes of person who are entitled to a reduction. This may be determined by reference to the income of any person liable to pay council tax, the capital of any such person or both income and capital. It may be determined by reference to the number of such a person’s dependants and whether or not the person has applied for a reduction.
  - The scheme must specify the reduction to which a person in a given class is entitled to and different reductions may apply to different classes. The reduction may be in the form of a percentage discount, a discount of an amount specified or calculated under the scheme, an amount of council tax or the whole of council tax.
  - The scheme must specify the procedure by which a person may apply for a reduction and how a person may appeal a decision in respect of reduction of council tax.
  - The scheme must contain other matters specified in Regulations made by the Secretary of State.
- 7.3 Pursuant to powers given in the 1992 Act, the Secretary of State has made the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“**the Prescribed Requirements Regulations**”), which set out detailed matters that must be contained in council tax reduction schemes. The proposed scheme has been prepared in accordance with these requirements.
- 7.4 Before making a scheme, the Council must (in the following order): (a) consult any major precepting authority which has power to issue a precept to it; (b) publish a draft scheme in such manner as it thinks fit, and (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme. Paragraph 3.4 of the report sets out the consultation which has been conducted which meets these requirements.
- 7.5 The Council must publish its council tax reductions scheme. It must also keep the scheme under review and decide each financial year whether to revise or replace the scheme.

- 7.6 If the Council does not have a scheme in place by 31 January 2013 (in breach of its statutory duty), then the 1992 Act provides that the Government's default scheme will apply in Tower Hamlets. The default scheme is set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012. These follow closely the specifications in the Prescribed Requirements Regulations.
- 7.7 Before adopting a council tax reduction scheme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. An equality analysis has been prepared, which is set out in Appendix 2 to this report and summarised in section 6.
- 7.8 Section 67 of the 1992 Act specifies functions of an authority that shall be discharged only by the authority. The specified functions include making or revising a council tax reduction scheme under section 13A(2) of the 1992 Act. This means that full council has ultimate responsibility for making and revising the council tax reduction scheme.

## **8. ONE TOWER HAMLETS CONSIDERATIONS**

- 8.1 The One Tower Hamlets vision and objectives which run throughout the Tower Hamlets Community Plan are to tackle inequality and strengthen cohesion and community leadership. The Welfare Reforms being introduced by the Coalition Government have the potential to reduce significantly the income of households in the borough who currently receive welfare benefit payments. The reduction in the Council Tax Benefit subsidy must be seen in the context of these wider changes. From April 2013 the government is introducing a benefit cap. All the benefits a household receives will be added together and capped at £350 for a single person without children and £500 per week for everyone else. If the household currently receives more than the cap, the difference will be cut from their housing benefit. The cap does not apply to households receiving Working Tax Credit, people who are not of working age, or people who receive Disability Living Allowance, Attendance Allowance or the support component of Employment Support Allowance. There will be further changes to the benefit system over the next few years. In particular, Universal Credit will be phased in between 2013 and 2017. It will replace six of the main means tested benefits and tax credits. The stated aim of these reforms is to ensure that people are better off in work. In developing the proposed Council Tax Support scheme, it was recognised that low income working age households in receipt of means tested benefits are likely to experience reductions in income and the proposed scheme therefore seeks to avoid further reducing the income of working age households who are currently eligible for Council Tax Benefit.
- 8.2 The proposed Council Tax Support scheme for Tower Hamlets does not deviate from the existing national Council Tax Benefit scheme.

- 8.3 As with the existing Council Tax Benefit scheme there are classes of people within the new scheme. Some classes are fully protected e.g. pensioners, while others such as working age claimants are not protected and could be liable to reduced benefit payments as a result of the Government's new regulations and the decision to reduce funding by 10%.
- 8.4 Cabinet's decision to absorb the 10% funding reduction means that in effect, nobody has to pay any more towards their Council Tax than they do currently; all classes of people are therefore protected through the new means tested Council Tax Support scheme.
- 8.5 The table below details the existing Council Tax Benefit caseload.

The new Council Tax Support scheme will maintain the status quo meaning no individual or group will be adversely impacted by the new Council Tax Support scheme. Indeed, the decision to fund the 10% cut will protect all residents who would otherwise be affected were the reductions in funding passed on.

<b>Households in Receipt of CTB</b>	<b>35,227</b>	100%
<b>Total Pensioners in receipt of CTB</b>	<b>10,178</b>	28.89%
No. of Pensioners on full CTB	8,143	23.12%
No. of Pensioners on part CTB entitlement	2,035	5.78%
Average weekly CTB for Pensioners	£16.19	
Total Annual CTB award for Pensioners	£8,594,447	28.39%
<b>Total number Working Age Claimants in receipt of CTB</b>	<b>25,049</b>	71.11%
Number of Working Age on full CTB	16,340	46.38%
Number who are working	6,703	19.03%
All other claims from Working Age	2,006	5.69%
Average weekly CTB for Working Age	£16.60	
Total Annual CTB for Working Age	£21,675,175	71.61%
<b>Total Annual CTB (all claims)</b>	<b>£30,269,622.07</b>	

## 9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 None.

**10. RISK MANAGEMENT IMPLICATIONS**

10.1 The principle risk for the Council is to ensure that it has an agreed and workable scheme in place within the timetable set by the Government. This report is the first step in that process.

**11 CRIME AND DISORDER REDUCTION IMPLICATIONS**

11.1 None.

**12 EFFICIENCY STATEMENT**

12.1 It is noted that the funding for any scheme agreed by Members is likely to be at least 10% less than is currently provided in respect of the Council Tax Benefit Scheme

**11. APPENDICES**

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

**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



# Agenda Item 12.1

<b>Committee:</b> Cabinet	<b>Date:</b> 9 <sup>th</sup> January 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 70/123	<b>Agenda Item:</b> 12.1
<b>Report of:</b> Corporate Director Resources  <b>Originating officer(s)</b> Oladapo Shonola Chief Financial Strategy Officer; Lisa Stone Finance Officer		<b>Title:</b> Exercise of Corporate Directors' Discretions  <b>Wards Affected: All</b>		

## 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. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Note the exercise of Corporate Directors' discretions as set out in Appendix 1.

## 3. **REASONS FOR DECISIONS**

- 3.1 Financial Regulations requires that regular reports be submitted to Council/Committee setting out financial decisions taken under Financial Regulation B8.
- 3.2 The regular reporting of Corporate Director's Discretions should assist in ensuring that Members are able to scrutinise officer decisions.

## 4. **ALTERNATIVE OPTIONS**

- 4.1 The Council is bound by its Financial Regulations (which have been approved by Council) to report to Council/Committee setting out financial decisions taken under Financial Regulation B8.

4.2 If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

## **5. BACKGROUND**

5.1 Regulation B8 sets out the Cabinet Reporting Thresholds for specific financial transactions.

## **6. FINANCIAL REGULATION B8**

6.1 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

6.2 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.

6.3 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

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

7.1 The comments of the Director of Resources have been incorporated into the report and Appendix.

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

8.1. The report sets out the individual exercises of Directors' Discretions as required by Financial Regulations.

8.2 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

8.3 The procedure for recording and reporting Corporate Director's Actions has recently been revised and strengthened. All proposed actions where the value exceeds £100,000 are now required to be agreed with the Mayor prior to officer's sign off and approval. The revised procedure came into effect in December 2011.

**9. ONE TOWER HAMLETS CONSIDERATIONS**

9.1 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.

**10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

10.1 There are no Sustainable Action for A Greener Environment implications arising from this report.

**11. RISK MANAGEMENT IMPLICATIONS**

11.1 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.

**12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

12.1 There are no Crime and Disorder Reduction Implications arising from this report.

**13. EFFICIENCY STATEMENT**

13.1 The works referred to in the report will be procured in line with established practices, taking account of best value.

**14. APPENDICES**

Appendix 1 – Exercise of Corporate Directors’ Discretions under Financial Regulation B8

---

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

**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	Stephen Adams, Finance and Resources Manager, Communities, Localities and Culture Ext. 5212

**Appendix 1: Exercise of Corporate Directors Discretions under Financial Regulation B8**

Corporate Director	Amount	Description of Exercise of Discretion	Justification for Action	Contractor's Name and Address (including postcode)	Contact
CLC (Ref:12 26)	£199,000	<b>Approval for a budget</b> virement from the Parking Control Account to fund the relocation of Parking Services to Commercial Road. This approval is in excess of the noting report threshold of £100k.	Asset Management and Capital Strategy Board and Smarter Working Board have agreed the relocation of remaining Parking Services' staff from Anchorage House to Commercial Road in order to consolidate Parking Services on to one site.	Procurement process to be arranged	Jamie Blake Public Realm (X6769)
CLC (Ref: 12 31)	£200,000	<b>Adoption of capital estimate</b> for Crown Close Link to improve access and connectivity for a cohesive and high quality pedestrian/cycle network. This approval is in excess of the noting report threshold of £100k. .	Confirmation of external funding from Olympic Park Transport & Environmental Management (OPTEMS)	J B Riney Ltd 455 Wick Lane London E3 2TB	Elise Boon, Transportation & Highways (X6832)

This page is intentionally left blank