

# OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 6 January 2015 at 7.15 p.m., Room C1, 1st Floor, Town Hall,  
Mulberry Place, 5 Clove Crescent, London, E14 2BG

This meeting is open to the public to attend.

**Members:**

**Chair:** Councillor Joshua Peck

**Vice Chair:** Councillor John Pierce

Councillor Asma Begum	(Scrutiny Lead for Adult Health and Wellbeing)
Councillor Denise Jones	(Scrutiny Lead for Children's Services)
Councillor Dave Chesterton	(Scrutiny Lead for Development and Renewal)
Councillor Peter Golds	(Scrutiny Lead for Law Probity and Governance)
Councillor Mahbub Alam	
Councillor Abjol Miah	(Scrutiny Lead for Resources)
Councillor Muhammad Ansar Mustaqim	

**Co-opted Members:**

1 Vacancy	(Parent Governor Representative)
Victoria Ekubia	(Roman Catholic Church Representative)
Dr Phillip Rice	(Church of England Representative)
Nozrul Mustafa	(Parent Governor Representative)
Rev James Olanipekun	(Parent Governor Representative)

**Deputies:**

Councillor Khales Uddin Ahmed, Councillor Sirajul Islam, Councillor Rachael Saunders, Councillor Craig Aston, Councillor Julia Dockerill, Councillor Andrew Wood, Councillor Suluk Ahmed, Councillor Mohammed Mufti Miah and Maium Miah

[The quorum for this body is 3 voting Members]

**Contact for further enquiries:**

David Knight, Democratic Services  
1st Floor, Town Hall, Town Hall, Mulberry Place, 5 Clove Crescent,  
London, E14 2BG  
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Web: <http://www.towerhamlets.gov.uk/committee>

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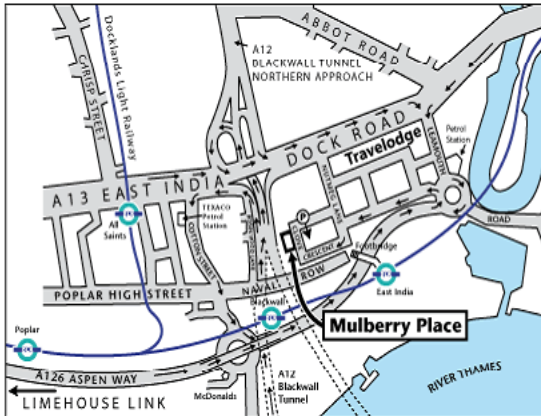
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<b>SECTION ONE</b>	<b>WARD</b>	<b>PAGE NUMBER</b>
<b>1. APOLOGIES FOR ABSENCE</b>		
To receive any apologies for absence.		
<b>2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST</b>		<b>1 - 4</b>
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Interim Monitoring Officer.		
<b>3. UNRESTRICTED MINUTES</b>		<b>5 - 18</b>
To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 3 <sup>rd</sup> December, 2014.		
<b>4. REQUESTS TO SUBMIT PETITIONS</b>		
To receive any petitions (to be notified at the meeting).		
<b>5. UNRESTRICTED REPORTS 'CALLED IN'</b>		
The decisions of the Mayor in Cabinet 3 <sup>rd</sup> December, 2014 in respect of the Savings Proposals: Public Health - Reconfiguration of Sexual Health Services has been 'called in'.		
<b>5.1</b>	<b>Medium Term Financial Plan Update 2015/18 (2015/16 Savings Proposals: Public Health - Reconfiguration of Sexual Health Services)</b>	<b>All Wards 19 - 48</b>
<b>6. SCRUTINY SPOTLIGHT</b>		
<b>6.1</b>	<b>Spotlight: Mayor</b>	
<b>7. UNRESTRICTED REPORTS FOR CONSIDERATION</b>		
<b>7.1</b>	<b>Reference from Council - Judicial Review on the Best Value Inspection</b>	<b>All Wards 49 - 368</b>
<b>7.2</b>	<b>Reference from Council - Best Value Inspection undertaken by PwC</b>	<b>All Wards 369 - 380</b>
<b>7.3</b>	<b>Refreshing the Community Plan for 2015</b>	<b>All Wards 381 - 408</b>

**7.4** Strategic Performance and Corporate Revenue and Capital Monitoring Q2 2014/15 (Month 6) **All Wards** **409 - 524**

**7.5** Challenge Session Report: The implications of conservation areas for extension of family homes **All Wards** **525 - 550**

**8. VERBAL UPDATES FROM SCRUTINY LEADS**

(Time allocated – 5 minutes each)

**9. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS**

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated – 30 minutes).

**10. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT**

To consider any other unrestricted business that the Chair considers to be urgent.

**11. 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 Papers)**

The exempt 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.

**SECTION TWO**

**WARD**

**PAGE  
NUMBER**

**12. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'**

No decisions of the Mayor in Cabinet (... date ...) in respect of exempt/ confidential reports on the agenda were 'called in'.

**13. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS**

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated 15 minutes).

**14. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT**

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

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

Monday, 19 January 2015 to be held in Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG



# Agenda Item 2

## **DECLARATIONS OF INTERESTS - NOTE FROM THE INTERIM 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 Interim 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 Interim Monitoring Officer following consideration by the Dispositions 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 Interim Monitoring Officer of the interest for inclusion in the Register.

**Further advice**

For further advice please contact:-

Meic Sullivan-Gould, Interim Monitoring Officer, 0207 364 4801

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>

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE**

**HELD AT 7.15 P.M. ON TUESDAY, 2 DECEMBER 2014**

**COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE**

**Members Present:**

Councillor Joshua Peck (Chair)  
Councillor John Pierce (Vice-Chair)  
Councillor Asma Begum  
Councillor Denise Jones  
Councillor Dave Chesterton  
Councillor Peter Golds  
Councillor Mahbub Alam  
Councillor Abjol Miah  
Councillor Muhammad Ansar Mustaqim

**Co-opted Members Present:**

Victoria Ekubia	(Roman Catholic Church Representative)
Dr Phillip Rice	(Church of England Representative)
Nozrul Mustafa	(Parent Governor Representative)
Rev James Olanipekun	(Parent Governor Representative)

**Other Councillors Present:**

Councillor Rabina Khan	(Cabinet Member for Housing and Development)
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**Also Present:**

Mick Sweeney	(Group Chief Executive One Housing Group)
John Gregory	(One Housing Group)
Catherine Kyne	(One Housing Group)
Suzanne Horsley	(One Housing Group)

**Officers Present:**

Mark Cairns	(Senior Strategy, Policy and Performance Officer)
David Galpin	(Service Head, Legal Services, Law Probity & Governance)
Kevin Kewin	(Service Manager, Strategy & Performance)
Louise Russell	(Service Head Corporate Strategy and Equality, Law Probity & Governance)
David Knight	(Senior Democratic Services Officer)
John Williams	(Service Head, Democratic Services, Law Probity and Governance)

Meic Sullivan-Gould  
Jackie Odunoye

(Interim Monitoring Officer, Legal Services, LPG)  
(Service Head, Strategy, Regeneration &  
Sustainability, Development and Renewal)

**1. APOLOGIES FOR ABSENCE**

Apologies for absence had been received from The Mayor Lutfur Rahman.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

No declarations of disclosable pecuniary interest were received.

**3. UNRESTRICTED MINUTES**

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

**RESOLVED**

The unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 4<sup>th</sup> November, 2014 were approved as a correct record of the proceedings. Subject to the following amendments:

**7.5. Reference from Council – Judicial Review on the Best Value Inspection.**

Paragraph 4 delete “Popular” and insert “Poplar”.

**9. Pre-Decision Scrutiny of Unrestricted Cabinet Papers.**

The inclusion in the minutes of the responses received to the pre-decision scrutiny questions submitted to the Mayor in Cabinet on 5<sup>th</sup> November, 2014.

In addition, the Committee **agreed** that:

**7.2 Covert Investigation Under the Regulation of Investigatory Powers Act 2000**

Further to minute 7.2 (4<sup>th</sup> November, 2014 refers) regarding Covert Investigation Under the Regulation of Investigatory Powers Act the Committee agreed that it should be provided with a brief update that would give information/figures relating to surveillance without RIPA authorisation on both public land and Council land.

**4. REQUESTS TO SUBMIT PETITIONS**

Nil items.

**5. UNRESTRICTED REPORTS 'CALLED IN'**

Nil items.

## **6. SCRUTINY SPOTLIGHT**

### **6.1 SCRUTINY SPOTLIGHT - THE MAYOR**

The Scrutiny Spotlight did not proceed as Mayor Lutfur Rahman had been unable to attend. Accordingly, the Chair noted the Mayor's apology for absence and informed the Committee that it be noted that he was disappointed that the Mayor had not attended and he instructed officers to request the reason for the Mayor's absence on this occasion.

### **6.2 SOCIAL HOUSING PROVIDER - ONE HOUSING GROUP**

The Committee received and noted a presentation from Mick Sweeney, Group Chief Executive One Housing Group (OHG), relating to the standard of housing management on the estates managed by OHG in Tower Hamlets. A summary of the discussion on this item is set out below.

The Committee:

- Commented that many of the residents in the wards that they represent have expressed dissatisfaction at the service they have received from OHG. In response it was noted that OHG whilst confident in the quality of their customer care and the engagement through the Area Boards of OHG recognised that more could be done to ensure customer satisfaction.
- Noted that some of the elected members on the committee had been alerted to concerns by residents in their wards. Accordingly, OHG had arranged a meeting for both the elected members and residents so as to provide them with an opportunity to scrutinise the standard of housing management on the various estates managed by OHG in Tower Hamlets. A report providing an outline of the outcomes and way forward would be circulated to the Committee in due course.
- Noted the OHG had many high maintenance grade two listed properties in Tower Hamlets and there was an urgent need to start a dialogue to consider the long term viability of such housing stock and options for the future housing of residents.
- Commented that the concerns of residents regarding the standard of housing management and OHG housing stock was not primarily due to the age of those properties but to poor standards of service. Therefore, the Committee wanted to know what OHG intended to do to address these concerns.
- Noted that OHG alongside the redevelopment of their older housing stock will aim to develop an ongoing and meaningful dialogue with elected members and residents.

- Noted details of a yard where OHG had been keeping unwanted fridges/freezers that had been dumped on their estates. Members were concerned that apparently OHG felt it was appropriate to store such unwanted domestic appliances in a yard overlooked by residents' homes.
- Was informed that in Tower Hamlets OHG experiences very high levels of fly tipping and they wanted to engage with partner agencies so as to address this problem at source. However, whilst acknowledging that OHG wished to address this problem the Committee was of the view that if OHG cared about their tenants and residents, they would have taken a more proactive stance to resolve this illegal dumping on their estates.
- Noted that in March 2013 the Borough's Fire Commander had apparently indicated that the storage of such unwanted household electrical items such as fridges and freezers in this yard was a potential fire hazard.
- Agreed that OHG should have sent such items to specialist reprocessors where the various elements can then be stripped down and recycled. In response OHG stated that they currently had to remove 152 metric tonnes of such illegal deposits. The Committee in noting the scale of the problems indicated that they would expect OHG to actively engage with their colleagues in the Council to seek an effective resolution to the problem e.g. by their active involvement in the Tower Hamlets Housing Forum's Public Realm Sub-Group.
- Indicated that it would also want to see bench marking for OHG against other comparable housing providers. OHG placed on record their apologies for the time that it had taken to resolve this matter and confirmed that they would seek membership of the Public Realm Sub-Group and commence a meaningful dialogue with LBTH Officers on addressing the illegal deposit of waste.
- Noted that OHG would be undertaking future consultations regarding changes to transfer polices and the introduction of affordable rents and future options for the housing blocks with the worst maintenance problems.
- The Committee whilst welcoming OHG's intention to develop a dialogue with elected members and residents wanted assurances that those residents involved in the ongoing dialogue should be genuine "community personalities". In response the Committee noted that OHG had engaged in a positive dialogue with local residents so as to develop a healthy democratic process. Notwithstanding these assurances the Committee felt that those concerns identified to members by local residents and the culture of OHG customer services did not seem to indicate that OHG was engaged in a truly compassionate dialogue with its leaseholders and residents. In response OHG indicated that they were very happy to engage with residents and elected members in a truly meaningful dialogue. To this end the Committee received and noted the offer made by OHG to sit down and discuss with elected members issues raised by their constituents. As to the culture of OHG customer services it was noted

that OHG had invested much time and effort in improving their customer services e.g. addressing situations/challenges in meeting the needs of local residents and elected members. .

- Noted that OHG had taken steps to support those residents who had been affected by the recent welfare reforms. OHG had also taken steps to develop the number and quality of rented accommodation through the proactive reinvestment of those receipts obtained from private sales e.g. 1,500 new affordable new homes from the sale of 1,700 properties. In noting these developments Committee members indicated that they wish to know how many of those 1,500 properties had been made available to LBTH residents and what rents the occupants of these new properties were being charged, as well as how many of the sold properties were within the borough.
- Noted that there were issues with certain OHG managed properties where the residents had reported 'damp' mould on the walls where damp is not penetrating from outside. It was felt that "cold bridging" was the likely cause i.e. an area in the property where a gap occurs in the insulation (for example: the roof/wall junction and the wall/floor junction). The Committee was informed that apparently the issue seemed to arise after the properties had undergone repairs/maintenance. OHG recognised that this was unacceptable and properties that should not be left in an unacceptable state of repair.
- Also indicated that there was an ongoing issue regarding OHG corporate communications which had in certain situations sent contradictory messages to residents e.g. the use of Section 106 monies to undertake comprehensive estate regeneration seemed to indicate that in certain instances residents might lose their homes. In response OHG assured the Committee that where such developments are under consideration they ensure that there is an effective dialogue between themselves, residents and any developer.
- Asked for the composition of Area Boards and noted they comprised lease holders/tenants and one elected member. However, it was noted that from the comments received by the elected members on the Committee that OHG leaseholders had expressed concerns regarding repairs/maintenance/anti-social behaviour and the overall cleanliness of their properties/estates.

In conclusion the Chair thanked Mr Sweeney and his team for attending tonight's meeting and it was:-

### **RESOLVED**

- To request a report providing an outline of the outcomes and way forward with regard to the ongoing dialogue between elected members; residents; leaseholders and OHG;
- To request written confirmation that OHG had taken steps to join the Tower Hamlets Housing Forum Public Realm Sub-Group and had commenced a meaningful dialogue with LBTH Officers in addressing the illegal deposits of waste; and

- To request details of future consultations regarding changes to transfer polices, future options for high maintenance blocks and the introduction of affordable rents.
- To request details on how many of the new 1,500 properties had been made available to LBTH residents and what rents the occupants of these properties were being charged, as well as how many of the sold properties were within the borough

## **7. UNRESTRICTED REPORTS FOR CONSIDERATION**

### **7.1 RESPONSE TO REFERENCE FROM COUNCIL (JUDICIAL REVIEW ON THE BEST VALUE INSPECTION)**

The Committee received an update that provided an outline to the unsuccessful judicial review proceedings brought against the Secretary of State for Communities and Local Government in connection with his decision to appoint Pricewaterhouse Coopers LLP (PwC) to undertake a Best Value Review of some of the Council's functions. As a result of discussions on this matter.

The Committee expressed concern that it had not received the reference in a timely manner. It was pointed out that it had been agreed between the Chair and the Monitoring Officer that it would not be appropriate for this reference to be discussed by the Committee whilst the legal proceedings were ongoing. The reference was reported to Committee at the next available opportunity after the legal proceedings concluded.

It was

#### **Resolved**

- That the Committee be advised of the relevant legal advice that the Council had received prior to making the decision to undertake the Judicial Review of BV Inspection, in the form of contemporaneous notes taken during conferences with counsel; and
- That the Committee be advised of the process that was followed to take this decision, including the individual who made that decision

### **7.2 BEST VALUE INSPECTION - OVERVIEW AND SCRUTINY**

The Committee received and noted a report that detailed references made to Overview and Scrutiny within the best value inspection report undertaken by PricewaterhouseCoopers LLP (PwC). A summary of the discussion on this report is set out below:

The Committee noted that on the 4th April 2014 the Secretary of State for Communities and Local Government (DCLG) had appointed PwC to undertake a best value inspection of the London Borough of Tower Hamlets pursuant to section 10 of the Local Government Act 1999 (as amended by the



Local Audit and Accountability Act 2014). The appointment letter it was noted had indicated that the focus of the inspection would include:

1. The Authority's payment of grants and connected decisions;
2. The transfer of property by the Authority to third parties;
3. Spending and the decisions of the Authority in relation to publicity; and
4. The Authority's processes and practices for entering into contracts.

Whilst the Committee had not been the specific focus of the inspection, PwC's report, it was noted, had made it clear that their work had regard to matters escalated through the Council's own governance processes, including Overview and Scrutiny. This it was noted had included for example, Call-ins informing the sample of contracts selected for detailed review. In addition, the Committee was informed that in the PwC's report four properties had been identified for further investigation (Poplar Town Hall, Sutton Street Depot, 111 – 113 Mellish Street and Limehouse Library) were also known to them as a result of, 'third party information and/or the authority's own governance processes.

The inspection report also referenced a number of other issues, or comments, which had been raised by Overview and Scrutiny Committee, or through a Call-in, in its final report, including in relation to:

1. Mainstream Grants;
2. 954 Fund;
3. Community Chest and Community Events;
4. Disposal of Poplar Town Hall;
5. Lease of Sutton Street Depot; and
6. Transfer of funds from reserves to the Mayor's Office.

Although the Committee was advised that the inspection by PwC had not directly assessed the effectiveness of Overview and Scrutiny Committee or how it fulfilled its functions, the Committee was of the view that scrutiny is a vital component of good governance and improves councils' decision-making, service provision and cost-effectiveness. It is political without being partisan; it can provide independent challenge to executive decision-making, delivering the accountability which is crucial to modern, efficient local government. The Committee also felt a strong accountability framework promotes confidence in the Council's administration and that adequate and effective scrutiny is essential to the Council achieving its Best Value Duty.

However, the Committee considered that its recent experience and the evidence of the PwC report is that this important scrutiny role has not always been adequately facilitated under the current governance arrangements of the Council. In particular, the Committee had raised concerns about not being given timely access to information that would have allowed it to undertake scrutiny and that they felt that the Committee had, had difficulty in accessing independent advice to fulfil its functions.

It was

## Resolved

- That the Chair should write to the Secretary of State asking that he gives consideration to ensuring that the remit of the Commissioners includes the oversight of the operation of the governance arrangements including the role of the Committee.

### 7.3 IMPLEMENTATION OF ELECTORAL COMMISSION RECOMMENDATIONS

The Committee received and noted a report that provided Members with an update on planning work that has been undertaken so far for the UK Parliamentary election to be held on 7<sup>th</sup> May, 2015. The report focussed mainly on the plans for the verification and counting of votes, in order to comply with the timetable set out by the Electoral Commission. Amongst other things, the Commission's report of July 2014 recommended that the outline plans should be subject to consultation with local parties before being firmed up at the beginning of December.

It was noted that the proposals in this report are therefore currently the subject of consultation with all interested parties. In addition, the Committee was informed that further rounds of consultation would address other aspects of the election plans including integrity and security measures, absent (postal and proxy) voting and the management and policing of polling stations on Election Day. The discussions on the report are outlined as follows.

The Committee:

- Discussed the various benefits on the location of any future election count within or outside of the Borough **e.g.** considering the size and complexity of any future elections;
- Recognised the benefits of locating the count at a venue that can be effectively managed.
- Noted that the intention is at future counts to use independent professional security staff, rather than Council officers, to manage the reception area and entrance to the event.
- Noted and welcomed the recommendation that photographic I/D evidence will be required to secure entry to the count and reinforcement of the rule that no person who is not on the authorised list of attendees will be permitted to enter the count;
- Wished to see the provision of guidance for candidates/election agents on the process/procedures at the count. Therefore, the Committee welcomed the proposal that all attendees at the verification and count will be required to sign a Code of Conduct that will set out the standards of behaviour expected of them and will be a condition of entry;
- Felt that the quality/skills of the staff employed to undertake the count was of great importance. Therefore, the Committee was pleased to

note that the recruitment and training of count staff will begin earlier, and the training will be more comprehensive, ensuring that it fully complements the requirements and Code of Conduct for the candidates, election and counting agents and others entitled to attend the proceedings;

- Acknowledged that although not located within Tower Hamlets, the proposed ExCel centre venue is close to the Borough boundary and is easily accessible by public transport (and for the purposes of delivery of ballot boxes, by car). In addition, it was noted that the ExCel has been used successfully as a count venue at previous elections including the London Mayoral and Assembly elections in 2008 and 2012; and by L. B. Newham Council for local and mayoral elections. A majority of Members of the Committee supported the use of ExCel although Councillors Mahbub Alam, Abjol Miah and Muhammad Ansar Mustaquim did not, as they considered the count should be held within Tower Hamlets
- Agreed that there were benefits in bringing in count staff early so as to undertake a practice run of the count;
- Supported the intention that an experienced senior election official be appointed as a consultant to advise on and oversee the development and implementation of the count plans in order to ensure that the proper focus is maintained on the count-related work. The consultant it was noted would work with a dedicated member of the Facilities Team to ensure the effective management of the count as an event - *i.e.* venue liaison, communications, refreshments, set up of equipment, layout, logistics and contractor liaison, transfer of ballot boxes etc.

It was

#### **Resolved**

- To note that report and that the points raised in tonight's discussions be fed into the consultation process, and that a further update on other elements of preparation for the election would be provided at the February meeting of the Committee

#### **7.4 FULL COUNCIL REFERENCE REGARDING PRIMARY SCHOOL PERFORMANCE**

The Committee noted that at its meeting on 10<sup>th</sup> September 2014, Council had considered the following motion on the performance of primary schools in the Borough.

- That in the Bethnal Green and Bow area of the Borough, the percentage of primary school children attending a Local Authority school rated as Outstanding by OFSTED has dropped from 29% five years ago, prior the current administration coming in to office, to 8% this year;

- That in the same area the percentage of pupils attending a primary school rated as Inadequate has gone from 0% five years ago to 7% this year;
- That across the whole Borough the percentage of children attending a primary school rated as Inadequate (4%) is twice as high as any neighbouring borough;
- That the percentage of primary school children attending a school rated as Outstanding in Tower Hamlets (15%) would put it towards the bottom of a local league table of schools; and
- That this is despite Tower Hamlets receiving approximately the third highest funding per pupil in London.

Accordingly, the Council had asked this Committee to investigate the causes for this decline and report back as soon as possible. However, as a result of discussions on the report, it was felt that given the number of pressing issues on the work programme that there was currently insufficient capacity to give the topic the detailed consideration that it required.

It was:-

#### **RESOLVED**

- That consideration of the performance of primary schools in the Borough should be referred to next year's Committee for consideration on their work programme so as to allow full and detailed consideration.

#### **8. VERBAL UPDATES FROM SCRUTINY LEADS**

The Committee received and noted the following brief verbal updates from the Scrutiny Leads.

Councillor Joshua Peck (Chair Overview and Scrutiny Committee)

The Committee noted that the Challenge session report: The implications of conservation areas for extension of family homes would be submitted to the next meeting.

Councillor John Pierce (Scrutiny Lead for Communities and Culture)

The Committee noted that there is a review of what is being undertaken with regard to Anti-Social Behaviour in the Borough.

Councillor Denise Jones (Scrutiny Lead for Children's Services)

The Committee noted that the next meeting to consider the review of Children's Services would take place on the 3<sup>rd</sup> December, 2014.

Councillor Abjol Miah (Scrutiny Lead for Resources)

The Committee noted that the spotlight session on Waste Management would be taking place on 19<sup>th</sup> January, 2015.

Councillor Dave Chesterton (Scrutiny Lead for Development and Renewal)

The Committee noted that the Section 106 Challenge Session would be taking place on 22<sup>nd</sup> January, 2015.

Councillor John Pierce (Scrutiny Lead for Communities and Culture)

The Committee requested that a briefing paper be prepared to inform the committee about the programme of tree pruning in the Borough.

Councillor Joshua Peck (Chair Overview and Scrutiny Committee)

The Committee was advised that the report on Poplar Town Hall was awaiting clearance by the independent legal adviser and would then be circulated.

## 9 PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The following pre-decision questions submitted to the Mayor in Cabinet [03 December, 2014].

### Agenda Item 6.1

Interim Disposals Programme

**Question:** The Committee asked that the Mayor defers the decision on the proposals for the disposal of the land and buildings in Whitehorse Road/Commercial Road until the Commissioners appointed by the Secretary of State are in place.

**Summary of response received at Cabinet:** We are seeking Cabinet consent to approve the proposed sale of legacy problematic buildings on Whitehorse/Commercial Road. Cabinet resolve to dispose will commence a chain of events that will involve the valuation, appointment of selling agents, updating of planning briefs/statements and preparation of marketing packs, all of which will take a number of months. By the time Officers are ready to present the properties to the open market, likely March 2015, Commissioners will be in place, and having agreed, if necessary, the disposal policy/rationale going forward; there will be the opportunity to halt the sale pending alternative agreements with Commissioners. We suggest that we proceed with readying the properties for sale, thereby limiting continued cost exposure to cyclical squatting, and that we continue to seek Cabinet resolve in December, 2014 to agree the principle of the sale prior to the appointment of Commissioners which will ultimately expedite matters in due course.

In any event, it is important to point out that we have identified likely future property sales to the Secretary of State and that we have only been asked to

enter in to two undertakings not to sell, neither of which relate to Whitehorse/Commercial Road.

### **Agenda Item 6.3**

Renewal of Temporary Accommodation Lease – Relta Limited

**Question:** The Committee asked for assurances that the 34 properties supplied by Relta Limited for use as temporary accommodation for homeless are fit to live in.

**Summary of response received at Cabinet:** The properties are currently all occupied and are not unfit for human habitation. As with any property, repair matters will arise during the term of the tenancy and, as circumstances dictate, these would be brought to the attention of the owner's managing agents.

### **Agenda Item 10.1**

#### **Single Equality Framework**

**Question:** The Committee noted on Page 55 of the report that four energy auctions had been held with more than 4,000 residents signed up to the Energy Co-operative, saving an average of £150 on their annual energy bill. However, the Committee wanted to know how that figure of £150 had been calculated and to receive some assurance that the figure is real and robust.

**Summary of response received at Cabinet:** A strand of work for the Energy Co-operative is the Collective Energy Switching Scheme. Cost savings made on household energy bills is provided through this scheme. Tower Hamlets working collaboratively with all the other London Boroughs set up the Big London Energy Switch (BLES). BLES works with a specialist energy switching provider named ichoosr who use specialist software platform linked to the energy market similar to those used by most cost comparison websites.

When a household registers for the Collective Energy Switching scheme they provide information related to the annual energy consumption, the supplying energy company, the name of the tariff, method of payment, type of meter, type of contract and any discounts they are receiving. When this information is entered in to the specialist software it calculates how much the household spend on their energy on an annual basis.

Once the energy auction had taken place and the winning bidder confirmed, the specialist software applies the winning tariff details to the information provided by the resident at the time of registration. It then compares the annual amount the resident pays on their existing energy tariff compared to what they would be paying under the winning energy tariff and an offer is made to the household based on this comparison.

The individual household's savings are collated to work out the average household savings for the borough.

**Agenda Item 10.2**

Medium Term Financial Plan

Review of Non-Statutory Independent Reviewing Functions (Ref: ESCW0013/15-16).

Reduce Duplication in Leaving Care Service (Ref: ESCW0057/15-16)

**Question:**

Given the concerns raised in the Informal Budget Scrutiny meeting with Cllr Choudhury, The Committee asked that the Mayor:

- withdraws the proposal (on page 183 of the report) to de-commission the Independent Reviewing Officers (IROs) for child in need and foster placements
- withdraws the proposal (on page 244 of the report) to reduce the level of Personal Advisor support to care leavers

**Summary of response received at Cabinet:** These questions will be dealt with at the Informal Scrutiny Budget Workshop meeting on 16 December, 2014.

**10. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT**

Nil items.

**11. EXCLUSION OF THE PRESS AND PUBLIC**

Nil items.

**12. EXEMPT/ CONFIDENTIAL MINUTES**

Nil items.

**13. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'**

Nil items.

**14. PRE-DECISION SCRUTINY OF EXEMPT/CONFIDENTIAL CABINET PAPERS**

Nil items.

**15. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR  
CONSIDERS URGENT**

Nil items.

**The meeting ended at 10.15 p.m.**

**Chair, Councillor Joshua Peck  
Overview & Scrutiny Committee**



# Agenda Item 5.1

<b>Committee:</b> Overview & Scrutiny	<b>Date:</b> 6 January 2015	<b>Classification:</b> Unrestricted	<b>Report No.</b> 5.1
<b>Report of:</b> Service Head, Democratic Services  <b>Originating Officer(s):</b> Matthew Mannion, Committee Services Manager		<b>Title:</b> Cabinet Decision Called In: Savings Proposals: Public Health – Reconfiguration of sexual health services <b>Wards:</b> All	

## 1. SUMMARY

- 1.1 The attached report “10.2 Medium Term Financial Plan Update” was considered by the Mayor in Cabinet on 3 December 2014 and has been “Called In” in respect of the savings proposals that related to Sexual Health Services by Councillors Rachael Saunders, Shiria Khatun, Ayas Miah, Rachel Blake and Khales Uddin Ahmed. This is in accordance with the provisions of rule 16 of the Overview and Scrutiny Procedure Rules in Part 4 of the Council’s Constitution.

## 2. RECOMMENDATION

- 2.1 That the OSC consider the contents of the attached report, review the Mayor in Cabinet’s decision (provisional, subject to Call In) arising; and
- 2.2 Decide whether to accept the decision refer the matter back to the Cabinet with proposals, together with reasons.

### **3. BACKGROUND**

- 3.1 The request (received 12 December 2012) to “call-in” the Mayor in Cabinet’s decision published on 5 December was submitted under rule 16 of the Overview and Scrutiny (OSC) Procedure Rules. It was considered by the Interim Monitoring Officer who has delegated responsibility for calling in Cabinet and Mayoral decisions in accordance with agreed criteria.
- 3.2 The Call-In request fulfilled the required criteria and the decision is referred to OSC in order to consider whether or not to refer the matter back to the Cabinet for further consideration.
- 3.3 Implementation of the Cabinet decision is suspended whilst the “Call In” is considered.

### **4. THE MAYOR IN CABINET’S PROVISIONAL DECISION**

- 4.1 The overall report, attached at Appendix 2, considered the Medium Term Financial Plan Update. The Call-In request was specifically about the savings proposals around the reconfiguration of Sexual Health Services, however for ease, all the Decisions agreed by the Mayor in Cabinet in relation to the report are listed below:-

#### **“DECISION**

1. To note the changes to the draft budget position for 2015/16;
2. To agree the package of savings proposals for 2015/16 detailed in Appendix 1 to the report, taking into account the equality analyses set out in Appendix 2;
3. To agree that further business case refinement and consultation can be carried out on the proposals where necessary;
4. To consider the responses to consultation on savings proposals set out in Section 10 and included, as appropriate, in equality analyses;
5. To note the early indications of the financial position 2016/17 onwards, subject to the Autumn Statement and Local Government Finance Settlement;
6. To note that the financial position is subject to volatility and that developments in Government policy and their implications on MTFP planning assumptions will be monitored closely and reported back at regular intervals.”

#### **4.2 Reasons for Decisions**

- 4.2.1 The appendix to the report set out the full reasons for the proposals and they can be seen in the attached appendix to the Cabinet report.

### **4.3 Alternative Options Considered**

4.3.1 The appendix to the report set out any alternative options considered and they can be seen in the attached appendix to the Cabinet report.

### **5. REASONS AND ALTERNATIVE COURSE OF ACTION PROPOSED FOR THE 'CALL IN'**

5.1 The Call-in requisition signed by the five Councillors listed gives the following reason for the Call-in:

5.1.1 The proposed cut of £800,000 from the budget threatens to have a severe impact on the service provided and, as such, further consultation is vitally important.

5.1.2 The call-in will give the Mayor the opportunity to re-examine, consider and consult on the proposal to reconfigure sexual health services in the borough.

### **5.2 Alternative action proposed:**

5.2.1 That the Mayor:

- Fully outline and explain the savings proposed
- That the Mayor pursue further consultation on the proposed changes
- That the Mayor reverse this cut

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

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

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

- (a) Presentation of the "Call In" by one of the "Call In" Members followed by questions from members of OSC.
- (b) Response from the Lead Member/officers followed by questions from members of OSC.
- (c) General debate followed by OSC decision.

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

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

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

7.1 The comments of the Chief Financial Officer are incorporated in the attached report

## **8. LEGAL COMMENTS**

8.1 The Mayor in Cabinet's decision has been called-in in accordance with the Overview and Scrutiny Procedure Rules set out in the Council's Constitution. The alternatives presented in paragraph 2.2 of the recommendations in this report are options available to the Committee under the Overview and Scrutiny Procedure Rules.

8.2 Legal comments relevant to the Mayor's decision and to the review by the Overview and Scrutiny Committee are set out in the report on which the decision was based.

## **9. APPENDICES**

- Appendix 1 - "Call In" Requisition
- Appendix 2 – Cabinet Report Medium Term Financial Plan 3  
December 2014

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

**Brief description of "background papers"**

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

none

## O&S Call-in

### 2015/16 Savings Proposals: Public Health - Reconfiguration of sexual health services

We the undersigned hereby call-in the Mayor's decision in Cabinet with regard to proposed savings through reconfiguration of sexual health services.

At Cabinet (3<sup>rd</sup> December 2014), the package of savings proposals contained within the Medium Term Financial Plan Update 2015-18 was agreed. Within this package was a proposal to reconfigure sexual health services, as part of the public health budget.

The proposed cut of £800,000 from the budget threatens to have a severe impact on the service provided and, as such, further consultation is vitally important.

This call-in will give the Mayor the opportunity to re-examine, consider and consult on the proposal to reconfigure sexual health services in the borough.

Alternative courses of action:

- That the Mayor fully outline and explain the savings proposed
- That the Mayor pursue further consultation on the proposed changes
- That the Mayor reverse this cut

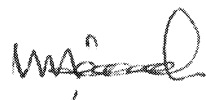
Signed:



Cllr Rachael Saunders



Cllr Shiria Khatun



Cllr Ayas Miah




Cllr Rachel Blake



Cllr Khales Ahmed

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<b>Cabinet</b>  <b>3<sup>rd</sup> December 2014</b>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> <b>Chris Holme, Interim Corporate Director of Resources</b>	<b>Classification:</b> Unrestricted
<b>Medium Term Financial Plan Update 2015-18</b>	

<b>Lead Member</b>	<b>Cllr Alibor Choudhury (Cabinet Member for Resources)</b>
<b>Wards affected</b>	<b>All</b>
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>
<b>Key Decision?</b>	<b>Yes</b>

## **1 SUMMARY**

- 1.1 On the 23rd of July 2014 Cabinet received an update on the budget position for 2014/15 and the outlook for 2015/16 and 2016/17. Subsequently, there has been detailed review of the underlying assumptions in order to inform the budget setting process. This review has also examined the risk and opportunities relating to extending the current MTFP forecasts to 2018/19.
- 1.2 This report details the key assumptions that underpin the 2015/16 position and highlights the main changes. It also details progress to date in developing savings options to meet the budget gap of £28.4m. Further changes could arise from the Chancellors Autumn Statement, and the Local Government Finance Settlement, due in December 2014. Any issues arising from these announcements will be incorporated into the budget report in January 2015.
- 1.3 Assumptions regarding resources for 2016/17 onwards have also been revised, although at a very high level given that there will be a new parliament and spending review in 2015. The report details the key assumptions around:
- The likely financial resources that could be available to the Council
  - The likely cost of providing existing services assuming agreed savings are delivered
  - Any emerging growth pressures
  - Estimated savings that would be needed to deliver a balanced and sustainable budget
- 1.4 These assumptions may change over time as a result of government policies, economic factors or local decisions and thus will need to be closely monitored through existing financial and performance monitoring

processes.

## **2 RECOMMENDATIONS**

The Mayor in Cabinet is recommended to:

- 2.1 Note the changes to the draft budget position for 2015/16;
- 2.2 Agree the package of savings proposals for 2015/16 detailed in Appendix 1, taking into account the equality analyses set out in Appendix 2;
- 2.3 Agree that further business case refinement and consultation can be carried out on the proposals where necessary;
- 2.4 Consider the responses to consultation on savings proposals set out in Section 10 and included, as appropriate, in equality analyses;
- 2.5 Note the early indications of the financial position 2016/17 onwards, subject to the Autumn Statement and Local Government Finance Settlement;
- 2.6 Note that the financial position is subject to volatility and that developments in Government policy and their implications on MTFP planning assumptions will be monitored closely and reported back at regular intervals;

## **3 REASONS FOR THE DECISIONS**

- 3.1 The authority is under a duty to set a balanced and sustainable budget and needs to plan the use of resources in such a way that it can deliver its statutory responsibilities and priorities as well as meeting local people's aspirations.
- 3.2 A Medium Term Financial Plan is required to enable financial pressures and risks to be modelled, allowing resourcing decisions to be made in a planned and structured manner. This is especially pertinent when overall resources are reducing, and unaffordable spending commitments need to be avoided.

## **4 ALTERNATIVE OPTIONS**

- 4.1 The authority has a duty under best value to deliver services within available resources, while ensuring value for money in the use of these resources and managing risks through effective financial planning.
- 4.2 The authority could choose to examine options at a later date, with more certainty over the exact level of government funding. This would inevitably lead to delays in implementation and delivery, increasing savings targets for future years.

## **5 BACKGROUND**

- 5.1 The medium term financial planning process is an essential part of the authority's resource allocation and strategic service planning framework. The MTFP integrates strategic and financial planning, and translates the Strategic Plan priorities into a financial framework that enables policy initiatives to be delivered within available resources, and ensures that those resources are aligned to priority outcomes.
- 5.2 The Mayor has set the following principles for the Medium Term Financial Plan, building on the priorities set in previous budgets:
  - Protecting the vulnerable and the services residents rely on
  - Reducing the cost of living for residents



- Creating growth and regeneration
  - Being a lean, flexible and citizen centred Council
- 5.1 The Council agreed a balanced budget for 2014/15 and a Medium Term Financial Plan (MTFP) that showed a budget gap of £28.4m in 2015/16 and a further £39.0m in 2016/17, after use of £24.3m and £14.1m from general reserves in these respective years.
  - 5.2 On the 23<sup>rd</sup> July 2014, cabinet were informed that the latest position on 2014/15 indicated that the authority was potentially on target to achieve a balanced budget with some risks identified in ESCW that were being mitigated.
  - 5.3 In addition, it was reported that there were no significant changes to the 2015/16 budget position agreed by Full Council back in March 2014 and that further work was being undertaken to confirm our assumptions for 2015/16. This report provides a further update on the assumptions for 2015/16 and the progress to date in developing savings proposals required to meet the £28.4m savings gap.
  - 5.4 The report also begins to look ahead into future years and presents a draft MTFP that has been extending to 2018/19.

## **6 NATIONAL CONTEXT**

- 6.1 The national economic outlook has a major impact on the Council's MTFP. It will guide the level of government funding available, and will determine the potential for maximising the proceeds of economic growth (Council Tax, New Homes Bonus and NNDR).
- 6.2 The Chancellor's Autumn Statement and budget are accompanied by analysis from the Office of Budget Responsibility (OBR). It is fair to say that the macro economic targets contained in previous analysis have been subject to revision, as complete deficit reduction was initially targeted for 2015.
- 6.3 The following economic forecasts were assumed by the OBR in the 2013 Autumn Statement:
  - GDP growth up from 0.6% to 1.4% in 2013 and from 1.8% to 2.4% in 2014. The OBR has forecast GDP growth of 2.2% in 2015, 2.6% in 2016 and 2.7% in 2017 and 2018. From 2012 to 2018, the OBR has revised up cumulative real GDP growth by 1.4 percentage points.
  - The OBR has revised up its forecast for employment across the forecast period and expects employment to reach 31.2 million by 2018.
  - The OBR expects the rate of inflation to slow between 2013 and 2016, returning to the 2.0% target in the second half of 2016.
- 6.4 Updated estimates from the OBR as part of the March 2014 Budget revised growth projections upward to 2.7% in the current year, but concerns were also raised around low wages (less tax receipts) and reduced productivity. Inflation has fallen faster than expected, and there are fears that the Eurozone could fall into a deflationary cycle, which could adversely affect UK growth.

- 6.5 In the three months to September 2014, the UK economy grew by 0.7%, and it has now exceeded 2008 levels for the first time since the economic crisis began. However, real wages have remained stagnant, meaning that the majority of the population has still not felt the effect of growth.
- 6.6 Research from the Resolution Foundation has revealed that a record number of five million people are now in low paid jobs, defined as earning less than two thirds of median hourly pay - equivalent to £7.69 an hour. This is keeping tax revenues low as personal allowances are increasing at the same time, and the OBR has provided the following analysis on the most recent public finance data:
- “Public sector net borrowing is up £5.4 billion year-on-year in the first half of 2014-15. While income tax receipts are expected to be end-loaded this year due to income shifting around last year’s cut in the additional rate of income tax, genuine weaknesses mean it is looking likely that our full year receipts growth forecast will not be met.”*
- 6.7 The economic data is a mixed bag – the economy is definitely growing, but individual prosperity is not increasing as wages are being maintained at a low level. Lower than expected tax yields will extend the deficit, and deficit reduction, now targeted to end in 2018/19, may well be extended again after the general election. Inflation has fallen faster than expected, and as a result, interest rate increases will be delayed. There is a danger that the economic slowdown in Europe, the UK’s major trading partner, could have adverse effects on the UK economy.

## **7 UPDATED BUDGET POSITION 2015/16**

- 7.1 The MTFP agreed by full Council in March 2014 included a net estimated general fund requirement of £311.545m for 2015/16 with a total funding envelope of £258.859m available through RSG, Council Tax and Business Rates leaving a gap of £52.685m to be met from the use of general reserves (£24.310m) and savings (£28.376m).
- 7.2 The 2014/15 budget reporting cycle included reference to work set up to examine options for delivering budget reductions within a strategic framework. One of the areas of opportunity examined was the potential for maximising the benefits of economic growth.
- 7.3 The Council’s Strategic Plan and action plan, approved by Cabinet in July, contained the following:
- Review economic growth opportunities and their implication for the Council's medium term financial strategy to 2018***
- 7.4 The above analysis of the national economy demonstrates that macro-economic risks still remain, but economic growth is undoubtedly occurring, and the Council is well placed to take advantage of the opportunities it offers. Officers have reviewed the assumptions behind the Council’s resource base over the last few months. This includes working groups set up to analyse previous trends, and the likely impact of Housing and Regeneration projects. Revised figures have been calculated for the major resource blocks:
- Business Rates

- Council Tax
- New Homes Bonus
- Reserves

### **Business Rates**

- 7.5 The Council has a relatively high business rates base, and, in addition, receives a government top-up. This means that of the 30% growth retained by the Council, there is no upper limit – whereas tariff authorities are restrained by a government levy that limits growth,
- 7.6 Longitudinal analysis has shown that gross business rates have increased over the last 5 years. Significant growth is also starting to materialise as the national economy picks up, and growth in London is higher than the national average.
- 7.7 Re-examining the growth in rateable value, and allowing for a moderate growth trajectory based on past experience, the figures have been revised as follows:

<b>Year</b>	<b>Original £000</b>	<b>Revised £000</b>	<b>Increase £000</b>
2014/15	102,816	110,071	7,255
2015/16	104,872	113,637	8,765

### **Council Tax**

- 7.8 Regression analysis was also carried out on housing growth in the Borough. As well as significant private sector housing development, the Council is planning to increase the affordable and social housing stock.
- 7.9 Overlaying existing increases in housing numbers, and allowing for moderate growth, the revised Council Tax projections for the Council are as follows:

<b>Year</b>	<b>Original £000</b>	<b>Revised £000</b>	<b>Increase £000</b>
2014/15	66,396	66,396	0
2015/16	67,392	68,744	1,352

### **New Homes Bonus**

- 7.10 New Homes Bonus should broadly follow the same trajectory as Council Tax, as it is based on increases in the number of occupied properties in the Borough.
- 7.11 Applying the levels of growth to New Homes Bonus, the revised projections are as follows:

<b>Year</b>	<b>Original £000</b>	<b>Revised £000</b>	<b>Increase £000</b>
2014/15	19,478	19,478	0
2015/16	15,478	17,478	2,000

### **Reserves**

- 7.12 The above analysis shows that some of the revised revenue assumptions have impacted 2014/15, in particular business rates. Additionally,

underspends in 2013/14 has also increased the level of reserves over the amount envisaged when the MTFP was approved in March 2014. The revised balances are as follows:

Year	Original £000	Revised £000	Increase £000
2014/15	58,445	71,137	12,692
2015/16	34,135	58,042	23,907

7.13 Following a review of the key assumptions that underpin the 2015/16 budget, a revised position is summarised in the table below:

**Table 1 Latest Budget position 2015-16**

<b>Summary Draft Budget 2015-16</b>	<b>2015-16 Original £'000</b>	<b>2015-16 Revised £'000</b>	<b>2015-16 Change £'000</b>
<b>Net Service Costs</b>	293,933	293,933	0
Growth	4,271	7,139	2,868
Inflation	5,500	5,500	0
Other Adjustments	7,841	4,655	(3,186)
<b>Total Funding Requirement</b>	311,545	311,227	(318)
Government Funding	(86,595)	(86,575)	20
Retained Business Rates	(104,873)	(113,637)	(8,765)
Council Tax	(67,392)	(68,744)	(1,352)
Collection fund surplus C/T	0	(800)	(800)
<b>Total Funding</b>	(258,860)	(269,756)	(10,898)
<b>Budget Gap (excluding use of Reserves)</b>	52,685	41,471	(11,216)
<b>Use of General Fund Reserves</b>	(24,310)	(13,095)	11,216
<b>Savings Required</b>	28,376	28,376	0
	<b>31/03/2016</b>	<b>31/03/2016</b>	<b>31/03/2016</b>
<b>Balance on General Fund Reserves</b>	34,135	58,042	23,907

7.14 A general allowance has been estimated for unavoidable growth and assumptions about core grants. All of these items will be further analysed and validated after the Autumn Statement is announced, and will be reported at January Cabinet along with fully costed growth proposals.

7.15 Assumptions about the level of funding available has also been reviewed and revised in line with above paragraphs. These additional resources have revised the budget gap for 2015/16 from £52.685m to £41.471m.

7.16 The net savings target for 2015/16 has been maintained at £28.376m; the need to make savings has not been eliminated, and reserves are still being used to fill the gap. Additionally, any reduction in the savings target for 2015/16 would increase the already challenging targets for future years.

7.17 There is a possibility that these figures could change as a result of the Autumn statement in December 2014. The impact of these changes will be incorporated into the January 2015 Cabinet report.

## 8 2015/16 Savings

8.1 During the year, Directorates have developed savings proposals, utilising principles adopted in previous year's budgets:

- **A leaner workforce:** with a particular focus on rationalising senior management; stripping out duplication and bureaucracy; and creating a flatter, more generic operational structure designed both to enable the progression of talented employees and to be more acutely focused on serving the needs of our residents.
- **Smarter Working:** more localised patterns of working; better use of new technology to enable council officers to do their jobs more effectively and at less cost and; opening up opportunities for residents to access our services in ways that reflect the realities of their lives be that in their homes, on-line, over the phone or in our offices and one stop shops.
- **Better utilisation of assets:** with a particular focus on underutilised buildings being put to better use and, where not possible, disposed of to support the council's capital programme and a root and branch review of our treasury management and capital planning arrangements.
- **Income Optimisation:** with a particular focus on ensuring that charges are set fairly and in a manner that protects our most vulnerable residents; ensuring money owed to us is collected in a timely and efficient manner; and on a review of our commercial charges.
- **Better Buying:** with particular focus on supporting local businesses to access the council's supply chain, ensuring a continuing role for the third sector in the delivery of services and ensuring that private sector contractors give value for money and deliver efficiency savings where appropriate, whilst working within the values and ethos of the council.

8.2 Given the scale of the financial challenge facing the Council in the coming years, savings plans have also considered a strategic perspective under the themes of:

- Understanding and projecting the local population
- Harnessing economic growth
- Prevention and meeting needs
- Resident-centred Service Re-design
- New Delivery Models
- Asset Management
- Workforce efficiency

8.3 The proposed savings developed on these principles ~~totalling~~ **totaling** £26.9m are included in Appendix 1. The proposals have been the subject of appropriate analysis and consultation and are in a position to be implemented. The proposals which involve staffing restructures will require further consultation and further business case refinement in accordance with the Council's procedures.

Options for further savings proposals totalling £1.5m will be reported to Cabinet in January as a result of the consultation feedback set out in paragraph 10.4.

- 8.4 Cabinet is therefore being asked to agree the package in Appendix 1 as the proposed method of delivering the necessary savings, whilst also agreeing that further work and any necessary consultation can be carried out. The January Cabinet report will provide an updated position on deliverability and any further feedback.

## 9 MTFP 2016/17 to 2017/18

- 9.1 Table 2 sets out the approved medium term financial plan to the end of 2016/17

**Table 2: Original MTFP agreed in March 2014**

	2014-15 £'000	2015-16 £'000	2016-17 £'000
<b>Total Funding Requirement</b>	293,933	311,545	326,204
<b>Total Funding</b>	(291,792)	(258,859)	(244,643)
<b>Budget Gap (excl use of Reserves)</b>	<b>2,141</b>	<b>52,686</b>	<b>81,560</b>
Use of General Fund Reserves	(2,141)	(24,310)	(14,135)
Unfunded Gap	0	28,376	67,425

- 9.2 For the purposes of future forecasting, the Council has only received indicative funding allocations for 2015/16. The funding arrangements past 2015/16 have been extrapolated from the Autumn Statement, Budget Statements and analysis by the OBR.
- 9.3 For 2016/17 and beyond, the funding envelope for local government will only be known after the May 2015 General election. Therefore it is right for the Council to focus on detailed savings plans for 2015/16, while at the same time accepting that planning for future years will contain a level of risk and uncertainty.
- 9.4 It is clear that the changes to the resource base set out above will also have a positive impact in future years. However, a number of factors need to be analysed before revised savings projections to 2017/18 can be presented to January 2015 Cabinet:
- **Growth and inflation** – there are known unavoidable pressures that can be reasonably estimated:
    - £3m per annum starting 2016/17 due increased national insurance contributions caused by the introduction of the flat rate pension scheme
    - Inflation at 1% on Salaries from 2016/17 onwards and 2.5% on other prices from the current financial year onwards.

Other areas need further analysis and details may not be forthcoming until the Autumn Statement and Local Government Finance Settlement; for example Better Care Fund, Care Act, crisis support funding etc. Costed growth schedules, including Mayoral priorities, will be presented for

approval in January.

- **Reserves** – the level of reserves was analysed in the section on resource base revisions, however Business Rates introduces an added complexity that will not be resolved until January. The Autumn Statement in 2013 introduced new discounts on Business Rates. In order that no Council would be worse off as a result, the discounts are paid for via section 31 grant. However, the discounts were estimated, and it is very likely that the actual mix of rates and section 31 grant will be very different at the end of the year. This is a key distinction – the Council will be no better or worse off over the 2 years of 14/15 and 15/16, but if the surplus is in the collection fund rather than the general fund, it will not be accounted for until 15/16. The exact position should be known when the NNDR1 form is completed in January. Further work also needs to be done on the exact phasing of reserves down to £20m, as austerity in its current form is likely to exist until 2018/19. Modelling will be developed for the January Cabinet report after the Autumn statement and Local Government Finance Settlement implications have been analysed.
  - **Council Tax** - The MTFP does not assume any increase in Band D rate council tax of £885.52. The increase in Council tax income over the period is due to anticipated increase in the number of chargeable properties. However, the final tax base report, to be revised for historical collection rates, discount reviews and further refinement of property numbers, will not be reported until January Cabinet.
- 9.5 Taking all of this into account, it is currently estimated that the budget gap excluding use of reserves for 2016/17 could be £73m, in comparison to the figure of £82m in paragraph 9.1. This would mean a savings target of approximately £30m, subject to the potential changes set out above.
- 9.6 Although the financial position has improved slightly due to economic growth in particular, the need to make substantial savings still exists – only the quantum and the profile will have altered in future years. Additionally, there are a number of risks that need to be constantly reviewed:
- Further economic volatility – UK growth is relatively strong at the moment, but there is a danger that economic factors affecting the euro zone translate into economic problems for the UK.
  - General election – a new government could choose to cut even further and after early in the new parliament.
  - System of finance – a new government could choose to alter the existing system of retained business rates, rest the system, or abandon it and replace it with another system.
- 9.7 In the medium term, opportunities may also exist if current thinking on further devolution of powers translates into a government policy agenda.
- 9.8 Adequate levels of reserves provide cover for the additional risks inherent in a time of reducing resources. The authority is in a strong position to face this situation providing key decisions are taken at the appropriate time.
- 9.9 General fund reserves stand at £71.1m as at the 31st March 2014, and the MTFP assumes that this will reduce to £20.0m. The level of reserves will

need to remain under review throughout this period of uncertainty, not at least the risks transferring from central to local government, and tight control of spending will be required to ensure spending remains within budget thus avoiding unforeseen calls on reserves.

## **10 CONSULTATION**

10.1 Over a six week period from 10th September the Council sought local residents' views on specific savings proposals which identified a particular impact on service delivery or users. As part of the Your Borough Your Voice engagement campaign, seeking feedback from residents about local priorities and budget decisions, we sought views on 25 specific proposals.

10.2 The consultation was carried out using a wide range of methods to ensure as many opportunities as possible for people to take part. These included a web-based survey publicised online, in East End Life and at local events and stalls. In addition, there were also a range of awareness raising events in the community, face to face discussions with specific service user groups and consultation with groups with specific needs. Consultation activity included:

- Publication of each of the 25 proposals on a dedicated web page. This was advertised on the Council's website, through weekly updates in East End Life and through leaflets and materials distributed at the events below. If people had difficulty accessing these online, help was offered to support them to respond;
- Raising awareness of the consultation through local events and stalls at market locations throughout the Borough;
- Discussion with Local Ward Forums and Community Champion Coordinators: and
- Consultation meetings with service user groups and representative forums, as well as with voluntary and community sector organisations. These included, for example, the Local Voices steering group of disabled residents, the Learning Disabilities Partnership Board and the Carers Forum.

10.3 451 surveys were completed as part of the consultation by 166 individual respondents. In addition around 800 more people attended local groups and service user events. Many proposals received both positive comments as well as identifying concerns about particular impacts. The feedback provided has been used to assist in understanding and responding to the impact of the proposals and is reflected in the equality analyses presented in Appendix 2 to ensure that Cabinet is able to give due regard to the possible impact on groups with protected characteristics in taking final decisions.

10.4 The consultation process has been rigorous, and as a result Cabinet agreed in October to extend the deadline by two weeks. At November Cabinet, the Mayor announced a number of changes to proposals made in response to feedback, and to protect particular groups. Other proposals have also been subject to review. The changes include:

- The proposal to mainstream social work support for the Children and



Adolescent Mental Health Service has been withdrawn;

- The proposal to close 4 local authority nurseries has been reviewed and new proposals will be subject to further consultation;
- The proposal to extend controlled parking zone has been withdrawn to enable further consultation;
- Proposals regarding the Muslim and African Families service have been reviewed and amended;
- Proposals for the reconfiguration of Children's centres have been amended;
- The proposal to review day services for older people has been deferred; and
- The proposal relating to Public Health Drug Service Commissioning has been reviewed and will be subject to further impact analysis.

10.5 In addition, where feedback indicated that there would be an adverse impact on any particular equality group as a result of the proposal, the accompanying Equality Analysis indicates the mitigating action which is proposed to address this.

10.6 A full response to all consultation issues raised will be published on the Council's website.

10.7 The consultation on budget and savings proposals will continue to engage local people as the 2015/16 budget is finalized at a time when difficult choices need to be made. Further resident engagement is already underway including an independent face to face survey, which is also available online, and a series of more in depth workshops with sample groups of residents. Further opportunities for residents to feed back on all aspects of the budget proposals and equality analyses set out in this report are planned before the budget is presented to Full Council in February. There will also be the opportunity to explore and feed back on budget priorities more generally through an online budget simulator.

## **11 EQUALITIES**

11.1 Equality impact assessments on budget proposals are included in Appendix 2. These incorporate responses to issues raised through consultation and demonstrate mitigating action which will be taken to address the impact on particular equality groups. As the budget process develops and any further plans are presented to Cabinet for approval, appropriate equality impact assessment will be carried out and the results reported.

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

12.1 The comments of the Chief Financial Officer have been incorporated into this report.

## **13 LEGAL COMMENTS**

13.1 The Council is obliged by section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is consistent with sound financial management and the Council's obligation

under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium term financial plan. The medium term financial plan informs the budget process and may be viewed as a related function. The savings proposed for 2015/2016 form part of the medium term financial plan and will help determine the budget requirement.

- 13.2 The report provides information about risks associated with the medium term financial plan and the budget. This is consistent with the Council's obligation to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit (England) Regulations 2011 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 13.3 The Council has a duty as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The Council is required to consult for the purposes of deciding how to fulfil its duty. There has been extensive consultation on selected savings proposals as outlined in the report.
- 13.4 When considering the medium term financial plan and any savings proposals, 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 (the public sector equality duty). The savings proposals presented in the report have been the subject of equality analysis and, where considered appropriate, consultation.

#### **14 ONE TOWER HAMLETS CONSIDERATIONS**

- 14.1 The Mayor's priorities to support vulnerable people; delayer management; develop a workforce that more closely reflects our community and; tackle the issues which drive inequality in the Borough, including poor housing,

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

- 15.1 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.

#### **16 RISK MANAGEMENT IMPLICATIONS**

- 16.1 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops.

#### **17 CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 17.1 The crime and disorder implications of individual proposals in the budget

are set out in the papers relating to those proposals.

## **18 EFFICIENCY STATEMENT**

18.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that full value is achieved. The information provided by officers on committed growth and budget options assists Members in these judgments.

## **19 APPENDICES**

Appendix 1 – 2015/16 savings proposals summary

Appendix 2 – one page summaries of savings proposals with equality impact assessments

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

LIST OF “BACKGROUND PAPERS” USED IN THE PREPARATION OF THIS REPORT

Brief description of “Background Paper”

None

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<b>TITLE:</b>	<b>Public Health - Reconfiguration of sexual health services</b>						
<b>DIR:</b>	ESCW						
<b>SERVICE:</b>	PUBLIC HEALTH - ACUTE SEXUAL HEALTH SERVICES				REF:CD/PH002/15-16		
<b>TEAM:</b>	PUBLIC HEALTH				LEAD OFFICER: CHRIS LOVITT		
<b>SAVINGS OPPORTUNITY</b>	<b>BASE BUDGET £000</b>	<b>Net Savings 15/16 £000</b>	<b>Net Savings 16/17 £000</b>	<b>Net Savings 17/18 £000</b>	<b>Total Saving</b>	<b>THEMES:</b>	<b>Is an EA Req?</b>
	7,311	800			800	Lean: Service Re-Design & Consolidation	Yes
FTE Reductions							
<b>DETAILS OF SAVINGS OPPORTUNITY</b>							
<p>Tower Hamlets has the 6th highest rates of acute sexual health infections (STIs) in England (up from 8th highest in 2011); 4932 acute STIs were diagnosed in 2012 (new figures due in October), a rate of 1926.5 per 100,000 residents (approx. 2.5 times higher than the England average). TH also has one of the lowest GP prescribed long acting reversible contraception rates in London. Two PHOF indicators (HIV late diagnosis and Chlamydia screening) relate to sexual health.</p> <p>The majority of STIs are treated in open access GUM services with 8 London providers accounting for approx. 90% of all TH GUM appointments using a tariff of approx. £170 for first appointments and £100 for second appointments. The savings will be made via four strategies:-</p> <ol style="list-style-type: none"> <li>1) Primary Prevention- reducing STIs infections especially amongst gay &amp; bisexual men, at risk young people and people from specific BME groups (black ethnic origins) who have disproportionately high rates of infections through increased condom use and behaviour change</li> <li>2) Secondary prevention- increasing effective treatments, reducing time to diagnosis by greatly increased targeted case finding, improving partner identification and confirmed treatment</li> <li>3) System redesign through invest to save- shifting appropriate sexual health activity to Primary Care (Pharmacy &amp; Primary Care) and community services (tier 2 contraceptive and sexual health services (CASH services) especially screening for STIs, increasing uptake and access to contraception (especially long acting reversible contraception). There was an approx. 30% increase in uptake of the sexual health local enhanced service in Primary Care in 2013/14 and the budget for activity has been increased by a further 30% for 2014/15. Cost per patient in Primary Care is approximately 50% less than those seen in GUM services. CASH services are currently being re-commissioned with a greater focus on prevention and provision of alcohol &amp; drugs screening and increasing efficiency.</li> <li>4) Reducing costs within GUM services- continued operation of cost containment through a) formal demand management strategy with providers b) application of a deflator c) marginal rate for increased activity d) application of a new London wide payment system for GUM services which pays for outcomes &amp; activity undertaken rather than a flat rate for first appointment and follow up. The cost containment strategy will not impact adversely on any user group such as LGBT patients as access to the GUM services will remain open to those who have a strong preference to use GUM services.</li> </ol>							
<b>IMPLICATIONS TO CONSIDER</b>							
<b>(Summarise impact on services provided, service users and health outcomes. Outline any risks to achievement of the saving)</b>							
<p>Sexual health and contraceptive services are mandated public health services which are currently under increased scrutiny by PHE and DH. Tower Hamlet's demographic change is increasing numbers of people in high sexual health need groups, notably young people and gay &amp; bisexual men- these trends are continuing.</p> <p>It is important to recognise that we are not closing, or limiting services as anonymised GUM services will continue to be available to Tower Hamlets residents on an open access basis.</p> <p>However, if sexual health costs are not contained it means that other priorities for expenditure within the public health such as tobacco, alcohol, weight management, prevention in early years and school health services will need to be reduced.</p> <p>Through 15/16 we will be closely monitoring and reviewing spend on open access GUM services and will be maximising the use of commissioning levers (negotiation with providers) to keep costs down.</p> <p>All services in primary care, community sexual health services and acute GUM provides services regardless of sexual orientation</p> <p>In addition, due to the high prevalence of sexually transmitted infection and HIV in gay men, there is 300k of additional investment targeted particularly at this group around prevention as well as supporting people living with HIV. This investment is not being cut.</p> <p>The savings are based on seeking to stem the increasing demand on the acute GUM services through prevention and reconfiguration of services in the community. This will absolutely not affect access to open access services for any group, including LGBT. No-one will be turned away from the anonymous GUM services which will continue to be available on an open access basis and anyone who regards it as a vital personal preference, for example because they are anxious about disclosure of their gender or sexuality, would still have the right to present for testing or treatment there.</p>							

<b>EQUALITIES SCREENING</b>		
<b>TRIGGER QUESTIONS</b>	<b>YES/NO</b>	<b>IF YES - please provide further details on how this impacts on each equalities groups</b>
Does the change reduce resources available to address inequality?	No	Inequalities in sexual health will be addressed through the four part strategy
Does the change reduce resources available to support vulnerable residents?	No	Vulnerable, high risk and groups with high sexual health need will continue to be encouraged to access GUM services
<b>CHANGES TO A SERVICE</b>		
Does the change alter who is eligible for the service?	No	GUM services will continue to be open access and a demand management strategy agreed with the providers will encourage appropriate activity to be diverted to level 1 & 2 services. As stated above the cost containment strategy will not impact adversely on any user group such as LGBT patients as access to the GUM services will remain open to those who have a strong preference to use GUM services.
Does the change alter access to the service?	No	GUM services will continue to be open access but appropriate activity will be encouraged to be undertaken in level 1 & 2 services
Does the change involve revenue	No	Increased activity in Primary Care is already funded in 2014/15 budget and non
Does the change involve a reduction or	No	
Does the change affect who provides the service, i.e. outside organisations?	Yes	Greater local provision of services within Tower Hamlets will be encouraged
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in	No	
Does the change involve a redesign of the roles of staff?		Yes- services are already adopting a more nurse, nurse consultant, self care and remote testing regimes. These will need to continue to modernise service provision. Primary Care will need additional training and support to deliver level 1 & 2 services

# Budget Savings Proposals Full Equality Analysis

## **Section 1: General Information**

**1a) Name of the savings proposal: Public Health - Reconfiguration of sexual health services**

**1b) Service area: ESCW Public Health**

## **Section 2: Information about changes to services**

**2a) In brief please explain the savings proposals and the reasons for this change**

Provision of sexual health services is one of the new mandatory public health services of the council. Tower Hamlets has the 6th highest rates of acute sexual health infections (STIs) in England (up from 8th highest in 2011); 4932 acute STIs were diagnosed in 2012) (1926.5 per 100,000 residents - 2.5 times higher than the England average). TH also has one of the lowest GP prescribed long acting reversible contraception rates in London. Two PHOF indicators (HIV late diagnosis and Chlamydia screening) relate to sexual health.

The majority of STIs are treated in open access GUM services with 8 London providers accounting for approx. 90% of all TH GUM appointments using a tariff of approx. £170 for first appointments and £100 for second appointments. Containing costs requires reducing demand through prevention and diverting patients away from more expensive hospital services to community services. The savings will be made via four strategies:-

- 1) Primary Prevention- reducing STIs infections especially amongst gay & bisexual men, at risk young people and people from specific BME groups (black ethnic origins) who have disproportionately high rates of infections through increased condom use and behaviour change
- 2) Secondary prevention- increasing effective treatments, reducing time to diagnosis by greatly increased targeted case finding, improving partner identification and confirmed treatment

3) System redesign through invest to save- shifting appropriate sexual health activity to Primary Care (Pharmacy & Primary Care) and community services (tier 2 contraceptive and sexual health services (CASH services)) especially screening for STIs, increasing uptake and access to contraception (more long acting reversible contraception). There was an approx. 30% increase in uptake of the sexual health local enhanced service in Primary Care in 2013/14 and the budget for activity has been increased by a further 30% for 2014/15. Cost per patient in Primary Care is approximately 50% less than those seen in GUM services. CASH services have been re-commissioned in 2014 with an increase in both activity and a greater focus on prevention. The new CASH services have had an increase in their cost effectiveness through the specification of alcohol & drugs screening as part of their contract.

4) Reducing costs within GUM services- continued operation of cost containment through a) formal demand management strategy with providers b) application of a deflator c) marginal rate for increased activity d) application in 2016 of a new London wide payment system for GUM services which pays for outcomes & activity undertaken rather than a flat rate for first appointment and follow up e) investigating new service provider models to assess suitability where increases in activity are being reported e.g. The newly opened Dean Street Express has increased activity amongst Tower Hamlets in the first three months of the 2014 financial year by 199%

The above measures will not be straightforward as they will need a range of levers and increases in activity has been running at an annual rate of approx. 10% for the last three years (33% increase in costs) and are likely to be opposed by the current GUM providers. Cost containment of sexual health issues is an issue across London; however Tower Hamlets has one of the highest predicted increases in activity due to population change. The integration of a new integrated tariff for sexual health services should help with cost containment as activity will be more accurately coded and costed. A greater focus on prevention and incentivisation of primary care treatment is the longer term goal.

#### Consultation Responses

There have been a significant number of responses to the proposal to reconfigure sexual health services. Responses have been from a mixture of clinicians at GUM service providers, their patients and residents of the borough. The responses have focused on the following: potential for negative impact on accessibility to GUM services, an apparent lack of evidence base that prevention can reduce sexual health need, concerns as to the capacity and capability of primary care to increase sexual health services provided and apparent high numbers of GUM attendees (80%) who are symptomatic. One of the most frequently expressed concerns is that a reduction of service in GUM would force patients to go to GPs and pharmacies which would cause them embarrassment whereas in fact the GUM services would continue to be available but patients would be encouraged to make better use of primary care services where this is appropriate and acceptable to them. The cost containment strategy will not impact adversely on any user group such as LGBT patients as access to the GUM services will remain open to those who have a strong preference to use GUM services.

The potential for more efficient service provision through cost containment and a new payment mechanism (the integrated tariff) has only 138



featured in a small number of returns who have highlighted the potential for increased complexity of GUM patients increasing costings. A number of respondents have highlighted concerns with the process stating that the My Tower Hamlets forms have inhibited their response and so they have responded via the general council enquiry email. Respondents have also highlighted the need for more information on the proposed extent of the cuts and timing of their implementation. Given the issues highlighted further consultation on proposed changes to sexual health services is recommended to ensure that the cost containment proposals and potential to divert activity to lower cost providers is realistic.

**2b) What are the equality implications of your proposal?**

All savings proposals have been screened for equalities relevance using the test of relevance questionnaire attached (Appendix A).

Please go back to each of the test of relevance questions and *using evidence* please provide a more detailed analysis of the equality impact of your proposal.

EQUALITIES SCREENING		
TRIGGER QUESTIONS	YES/NO	IF YES - please provide further details on how this impacts on each equalities groups
Does the change reduce resources available to address inequality?	No	The resources available to level 1 and 2 services have been increased as well as access to these services has increased by approx. 20%. New contracts for enhanced primary prevention were mobilized in August 2014. As GUM services will remain open access high need groups will continue to be able to access providers of choice.
Does the change reduce resources available to support vulnerable residents?	No	Vulnerable, high risk and groups with high sexual health need will continue to be encouraged to access GUM services and services will remain open access, free at the point of delivery and so these will not be impacted by the proposed changes.
CHANGES TO A SERVICE		
Does the change alter who is eligible for the service?	No	GUM services will continue to be open access (i.e. available to all but focused on those with the greatest need) and a demand management strategy agreed with the providers will encourage appropriate activity e.g. routine contraception or appropriate asymptomatic STI screening to be diverted to level 1 & 2 services.
Does the change alter access to the service?	No	GUM services will continue to be open access and appropriate activity will be encouraged to be undertaken in level 1 & 2 services
Does the change involve revenue raising?	No	Increased activity in Primary Care is already funded in 2014/15 budget and non-contract PH budget spend will be used to fund the prevention campaigns
Does the change involve a reduction or removal of income transfers to service users?	No	N/A
Does the change affect who provides the service, i.e. outside organisations?	Yes	Greater local provision of services within Tower Hamlets will be encouraged and all level 1 and level 2 providers are based within Tower Hamlets

### **Section 3: Equality Impact Assessment**

With reference to the analysis above, for each of the equality strands in the table below please record and evidence your conclusions around equality impact in relation to the savings proposal.

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact. This analysis will inform the decision making process

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact.

If an adverse impact cannot be mitigated please describe an alternative option, its costs and the equality impact.

Target Groups What impact will the proposal have on specific groups of service users and staff?	Impact – Positive or Adverse	Reason(s) <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 members decision making</li> </ul>
Race	Neutral	There will be greater access to local sexual health services by the expansion of level 1 and level 2 services. For complex or high need individuals open access will be maintained at level 3 i.e. GUM services.
Disability	Positive	Local level 3 services are still not yet fully DDA compliant and activity to address this will be required as part of the commissioning process in 2014/15. Increasing access to level 1 and level 2 services will widen the choice of more local providers.
Gender	Neutral	Sexual health services will remain open to all genders with specialist women's and men clinics provided by level 3 services as clinically indicated
Gender Reassignment	Neutral	Sexual health services will remain open to all genders with specialist women's and men clinics provided by level 3 services as clinically indicated. The cost containment strategy will not impact adversely on gender reassigned patients as access to the GUM services will remain open to those who may have a strong preference to use GUM services if they are concerned about using primary care settings.
Sexual Orientation	Positive	There will be greater access to local sexual health services by the expansion of level 1 and level 2 services. The cost containment strategy will not impact adversely on any user group such as LGBT patients as access to the GUM services will remain open to those who have a strong preference to use GUM services if they are concerned about using primary care settings.
Religion or Belief	Positive	The sexual health services do not currently collect information on this equality domain but have agreed to do so in 2014/15. It is not expected that there will be an impact on this domain
Age	Neutral	There will be greater access to local sexual health services by the expansion of level 1 and level 2 services. For complex or high need individuals open access will be maintained at level 3 i.e. GUM services which are open to all age competent people
Marriage and Civil Partnerships.	Positive	The sexual health services do not currently collect information on this equality domain but have agreed to do so in 2014/15. It is not expected that there will be an impact on this domain
Pregnancy and Maternity	Neutral	The services are already fully integrated into the maternity, pregnancy pathway and there is not expected to be any changes to this
Other	Neutral	Services will remain open access and free at point of delivery with a focus on local and accessible services and

Socio-economic Carers	so would not expected to adversely impact on any other relevant equality domain.
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**Section 4: Equality Impact Assessment Action Plan**

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact.

Adverse impact	Please describe the actions that will be taken to mitigate this impact
None	

If an adverse impact cannot be mitigated please describe an alternative option, its costs and the equality impact.

### **Section 5: Future Review and Monitoring**

Please explain how and when the actual equality impact of these changes will be reviewed and monitored.  
See above action plan.

The impact will be considered as part of the quarterly contract management meetings of level 1, 2 and 3 services. In the event that impacts are greater than anticipated or mitigating actions are not successful then further actions will be implemented to ensure no or only positive impacts on the equality domains.

As tier 3 services will remain open access and free at the point of delivery if the cost containment, prevention and appropriate activity diversion is not successful then future budgets may need to be reprofiled to ensure services are maintained.

# Agenda Item 7.1

<b>Committee:</b> Overview & Scrutiny	<b>Date:</b> 6 January 2015	<b>Classification:</b> Unrestricted	<b>Agenda Item:</b> 7.1
<b>Report of:</b> Meic Sullivan-Gould Interim Monitoring Officer		<b>Title:</b> Reference from Council – Judicial Review on the Best Value Inspection <b>Wards Affected:</b> ALL	

## 1. Summary

- 1.1 This report outlines the unsuccessful judicial review proceedings brought against the Secretary of State for Communities and Local Government in connection with his decision to appoint Pricewaterhouse Coopers LLP (PwC) to undertake a Best Value Review of some of the Council's functions.

## 2. Recommendations

- 2.1 That the committee note the report.

## 3. Background

- 3.1 On the 4th April 2014, the Secretary of State for Communities and Local Government (DCLG) appointed PwC to undertake a best value inspection of the London Borough of Tower Hamlets pursuant to section 10 of the Local Government Act 1999 (as amended by the Local Audit and Accountability Act 2014).
- 3.2 On 30<sup>th</sup> June 2014, the Council sought permission from the High Court to bring Judicial Review proceedings in respect of the above decision. On 13<sup>th</sup> November 2014, permission was refused.
- 3.3 On 10<sup>th</sup> September 2014, a motion was put to the Council meeting by Cllrs Golds and Aston and it was resolved:  
That this Council instructs:-
  - The Overview and Scrutiny Committee to review the process whereby the decision to seek a Judicial Review was implemented.
  - The Overview and Scrutiny Committee, in conjunction with the Head of Paid Service, engage a completely Independent legal advisor to provide assistance to the Committee when this is considered
  - That a report by Overview and Scrutiny be prepared and presented to the full Council for consideration.
- 3.4 On 4<sup>th</sup> November 2014, the Overview and Scrutiny Committee received a report from the Service Head, Democratic Services concerning the above resolution and accepted the reference.

## 4. Outline of Proceedings

### 4.1 Chronology

Date	Event
31.03.2014	BBC News – Article ‘London borough Tower Hamlets could face inspection’
31.03.2014	The Interim Monitoring Officer emails Paul Rowsell at the Department of Communities & Local Government (DCLG)
04.04.2014	DCLG Press Release regarding the decision of the Secretary of State for Communities & Local Government (SoS) to instruct Pricewaterhouse Coopers LLP (PwC) to undertake a best value inspection of the Council.
04.04.2014	The Council received letter from the DCLG regarding the inspection & a letter from PwC detailing the framework of the inspection
10.04.2014	The Council wrote to the DCLG for further information as to the reasons for SoS’s decision
17.04.2014	DCLG respond to the Council’s letter seeking clarification as to reasons
08.05.2014	The Council writes to the DCLG again seeking further information as to the reasons for the SoS’s decision
12.05.2014	The Section 151 Officer writes to the DCLG regarding the costs of the inspection
14.05.2014	DCLG respond to the Council’s second letter seeking clarification as to reasons
28.05.2014	DCLG respond to the Section 151 officer regarding the costs of the inspection
02.06.2014	Mayor Rahman writes to the SoS regarding concerns about the inspection costs and seeks further clarification as to reasons for the inspection
02.06.2014	Letter before Claim is sent to the DCLG
19.06.2014	DCLG response to the Letter before Claim is received by the Council
01.07.2014	Application for permission to Judicially Review the SoS’s decision is issued at the Court
24.07.2014	The DCLG serve their Grounds of Resistance to the Council
29.08.2014	The Council’s application for permission is refused by Mr Justice Parker in writing
05.09.2014	The Council makes its application for an oral permission hearing at the Court
11.09.2014	PwC issue the Council with factual extracts of their final report for the Council to respond to
24.09.2014	The Council’s response to the factual extracts is sent to PwC
04.11.2014	The DCLG publish the PwC report dated 16.10.2014
14.11.2014	Oral permission hearing at the High Court before Mr Justice Goss. The Council’s application for permission is refused.

### 4.2 Correspondence with DCLG and Pre-Action Letters:- Appendix One.



4.3 Application and Supporting Evidence – Appendix Two.

4.3 Initial Permission Refusal and Renewal Application – Appendix Three.

Note: A confidential and legally privileged synopsis of Counsel's legal advice in this matter has been made available to the members of the committee.

## **5. Commentary**

5.1 The Local Government Act 1999 introduced a statutory duty on “Best Value Authorities” (like the Council) to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness and to consult about those arrangements. Until 4th April 2014, the responsibility for undertaking and appointing inspectors as to the delivery of that duty was vested in the Audit Commission under the Local Government Act 1999. On that day, the Secretary of State took to himself the powers to appoint Inspectors to undertake Best Value Audits (The Local Audit and Accountability Act 2014 (Commencement No. 1) Order 2014 which brought into effect section 34 and Schedule 10 of the Local Audit and Accountability Act 2014 and amended the 1999 Act.) It follows that the Secretary of State's decision to launch the PwC Audit was unprecedented.

5.2 In a Press Release on 4<sup>th</sup> April 2014, it was stated that the Secretary of State had “appointed inspectors to look into allegations of governance failure, poor financial management and fraud” at the Council and did not mention compliance with the Best Value Duty. It was a concern that the Secretary of State was using his new powers to initiate Best Value Inspections for a purpose that was not authorized by statute eg to uncover criminal activity, like fraud. Advice was sought from Leading Counsel (Jonathan Swift QC, 11 KBW Chambers) who advised that there should be an interrogation of the DCLG reasons before concluding whether there had been a misuse of powers. Correspondence was therefore drafted seeking an explanation of the specific reasons for the Inspection.

5.3 Prior to 4<sup>th</sup> April 2014, Best Value authorities subject to inspection were liable to pay fees against a statutory scale of fees established by the Audit Commission in consultation with the Secretary of State and local government associations. The above regulations repealed that provision and replaced it with an unlimited liability for paying inspection fees. Assurance was sought that the level of fees would be in line with that previously charged for Best Value Governance Inspections (eg at Doncaster MBC, the fee had been £90,000) or otherwise would be being controlled by the Secretary of State in the public interest. No such assurances were forthcoming but in May 2014 the Department estimated that the fee would be £1,000,000 “assuming full co-operation by the Council”. Following the publication of the PwC Report, the DCLG has submitted a demand for £998,440 (plus VAT) in respect of the Inspection Fee.

## **6. Why Litigate?**

6.1 In the absence of clear reasons, it was difficult to address the proper scope of the inspection. This meant e.g. that officers did not know what was a legitimate information request and one that was outside the proper scope of the investigation. This was an important concern, both having regard to the cost of the inspection but also the potential criminal liability which might attach for non-compliance with a request.

- 6.2 The only way to ensure that there was proper scrutiny of the Secretary of State's decision-making and to limit the Council's liability for the then unquantified costs of the inspection was to seek permission for a Judicial Review of that decision. Counsel had been engaged to advise on the approach of the Council to the decision. Jonathan Swift QC had been selected as he had great experience (as Senior Treasury Counsel) of advising Government Ministers and Departments on Judicial Review matters.
- 6.3 Judicial Review proceedings must be commenced within three months of the decision being challenged. From April to June, Council Officers sought to engage in a dialogue with the DCLG as to the specific issues that were of concern but to no avail. It was considered that during the Pre-Election Period there should be no decision as to what action should be taken but to allow any new Administration to have the opportunity to review the position before litigation was commenced. At a Conference with Counsel on 23<sup>rd</sup> June, the Mayor approved the commencement of the proceedings having received advice that there was a substantial chance of success. That assessment was being maintained throughout the process. The action was commissioned by the Interim Monitoring Officer on 26 June 2014. The renewal of the application was undertaken by the Service Head, Legal Services on 5 September 2014 following consultation with the Mayor and Head of Paid Service and endorsed at Conference with Counsel on 11 September 2014.
- 6.4 The prospective cost of a judicial review action had been estimated at around £40,000 while the liability at stake was unlimited but estimated at £1,000,000. If the Secretary of State had been misadvised to proceed then that liability would be eliminated. On a risk v reward assessment, the action was clearly justified. In the event, permission was not granted and the Council's costs are substantially less than originally estimated. The Council's costs were £29,745 for Counsel's fees; the Council will also pay £8,500 to Treasury Solicitors for the Secretary of State's costs and has paid £490 on Court fees. The total spend on the Judicial Review proceedings is therefore expected to be £38,735 excluding VAT.

## **7. LEGAL COMMENTS**

- 7.1 The Council is empowered (under section 222 of the Local Government Act 1972) to institute proceedings where it is considered expedient for the promotion or protection of the interests of the inhabitants of its area. Under the Local Government Act 2000, this is an executive function exercisable by the Mayor or under his delegation. Article 14 of the Council's Constitution authorises the Director of Law, Probity and Governance (currently exercisable by the Head of Paid Service and the Interim Monitoring Officer) to make such decisions and under Part 3 of the Constitution Corporate Delegation A.13 enables any Director or Service Head to authorise proceedings.

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

- 8.1 This report sets out for Overview and Scrutiny Committee's consideration information regarding the process whereby the decision was taken to seek a Judicial Review of the Secretary of State for Communities and Local Government's appointment of PwC to undertake a best value inspection of certain council functions.
- 8.2 The report makes reference (para 6.2) to advice from Counsel, regarding the likelihood success of a Judicial Review.

- 8.3 Section 12 of the Local Government Act 1999, as amended by the Local Audit and Accountability Act 2014 states that an inspected authority must pay the reasonable fees of an inspector. Prior to the 2014 Act the fees were prescribed by the Audit Commission. Tower Hamlets was the first council to be inspected under the new regime. The cost of the inspection, now known to be £998,440 (compared to that of Doncaster MBC which cost some £90k) must be borne by the Council. Whilst this can be provided for from general reserves, this is a very significant opportunity cost. In this regard paragraph 6.4 of the covering report sets out the relative risk/ reward of the decision to consider litigation.
- 8.4 Costs were estimated at £40,000. Actual costs are set out in para 6.4 above. These will be funded from corporate contingencies. Other costs are primarily the opportunity cost of officer time.

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LOCAL GOVERNMENT ACT, 1972 (AS AMENDED) SECTION 100D

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

<b>Background paper</b>	Name and telephone number of and address where open to inspection
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None	
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APPENDIX ONE

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London Borough of Tower Hamlets  
Legal Department  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

**APPENDIX ONE**

04/04/2014	Letter from PwC to the Head of Paid Service
04/04/2014	Letter from Sir Bob Kerslake to the Head of Paid Service
04/04/2014	Letter from DCLG appointing PwC
10/04/2014	Letter from the Head of Paid Service to Sir Bob Kerslake
17/04/2014	Letter from DCLG to the Head of Paid Service
08/05/2014	Letter from the Interim Monitoring Officer to Sir Bob Kerslake
14/05/2014	Letter from Mr P Rowsell DCLG
28/05/2014	Letter from Mr Rowsell to Section 151 Officer
02/06/2014	Letter from Mayor Lutfur Rahman
02/06/2014	Letter Before Claim to DCLG
11/06/2014	Letter from Mr Rowsell
16/06/2014	Letter to Mr Rowsell
19/06/2014	Response to Letter before Claim from DCLG

APPENDIX ONE



**Private and confidential**

Stephen Halsey, Esq  
Head of Paid Service  
London Borough of Tower Hamlets  
Town Hall  
Mulberry Place  
5 Clove Crescent  
London E14 2BG

4 April 2014

Dear Mr Halsey

**Inspection under section 10 of the Local Government Act 1999 (amended)**

By a letter dated 4 April 2014 ("the Appointment Letter", copy enclosed), PricewaterhouseCoopers LLP ("PwC") has been appointed by the Secretary of State for Communities and Local Government to carry out an Inspection of the London Borough of Tower Hamlets ("LBTH") under section 10 of the Local Government Act 1999 ("the Act") (as amended by Schedule 10 of the Local Audit and Accountability Act 2014).

The focus of the Inspection is as set out in the Appointment Letter. We attach our initial information/documentation requirement to assist the early stages of our Inspection. We also attach a document and data preservation notice. We draw your attention to section 11 of the Act, which sets out certain provisions concerning the powers of Inspectors appointed under section 10 of the Act. These include (by way of summary):

- The right of access to premises and documents of the subject authority at all reasonable times;
- The right to require information or explanations to be given by relevant persons; and
- The requirement upon the subject authority to provide the Inspector with all facilities and information that the Inspector may reasonably require for the purposes of the Inspection.

In addition, section 11 of the Act makes it an offence for any person without reasonable excuse to fail to comply with a requirement of an Inspector. An Inspector is required to give three clear days' notice of any requirement.

Our aim will be to carry out the Inspection as efficiently as possible and with the least possible disruption to the day-to-day workings of LBTH. Inevitably, we will need to call on your people and resources to assist us in this and we thank you in anticipation of your co-operation.

Yours sincerely

Will Kenyon, Partner

*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH  
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7212 4652, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.





## **INITIAL INFORMATION/DOCUMENTATION REQUIREMENT**

Unless otherwise stated, requirements cover the period from 25 October 2010 to 31 March 2014. For the purposes of this requirement, the term LBTH includes any affiliated entity or agent of LBTH.

If there is other information not explicitly mentioned below but which is readily available and would assist the Inspectors in understanding LBTH's processes or the nature of specific transactions, please provide this also.

Where lists of transactions, contracts or other items are required, it would be most helpful if these could be produced in soft copy in Microsoft Excel for ease of analysis.

### **A. Grants**

1. A complete list of all grants made by LBTH to include:

- Full name of the recipient organisation;
- Amount of the grant;
- Purpose of the grant;
- Date of payment; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.

2. Documentation of policies and procedures pertaining to the receipt, processing, evaluation and approval of grant applications, and payment of grants.

### **B. Property disposals**

1. A complete list of all real estate properties (including without limitation land, commercial property and residential property) sold by or otherwise transferred out of the ownership of LBTH, to include:

- Full description and address of the property;
- Value of the property at the date of sale or transfer;
- Full name and details of the party acquiring the property;
- Date of sale or transfer; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail

2. Documentation of policies and procedures pertaining to property disposals.

### **C. Contracts**

1. A complete list of all contracts let by LBTH with a contract value of £10,000 or more, to include:

- Date of contract;
- Nature of goods or services procured;
- Full name and details of the contract counterparty/(ies);
- Value of the contract; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.



2. Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of contracts and the payment of suppliers and service providers.

**D Expenditures relating to publicity**

1. A complete list of all payments by LBTH to media organisations, including without limitation film, television, radio, internet and print media (such as newspapers, magazines, etc). This should include:

- Full name of the payee organisation;
- Amount of the payment;
- Date of payment; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.

2. An analysis of all costs incurred in relation to the publication of *East London Life*.

3. Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of expenditures relating to publicity.

**E. Other**

1. An organisation chart for LBTH showing key roles and responsibilities and, in particular, those departments, committees and individuals relevant to the matters covered under A to D above.

2. Copy of LBTH document management and retention policy.



## **DOCUMENT AND DATA PRESERVATION NOTICE**

All records in the possession, custody or control of the authority relating to LBTH (including any affiliated entity or agent of LBTH) dating from 25 October 2010 to 31 March 2014 inclusive, which relate to the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for entering into contracts.

The records that must be preserved include, but are not limited to, all originals or copies with annotations of letters, email, instant messages, drafts, informal files, desk files, handwritten notes, faxes, memoranda, forms, calendar entries, address book entries, and any records stored in hard copy or any electronic form (including records on desktop or laptop computers, on server back-up tapes, on a personal digital device such as an iPhone or Blackberry, or on removable media such as CDs, DVDs, USB memory sticks and external hard drives), whether at the office, home or anywhere else that relate in any way to the business activities of LBTH.

In light of the foregoing, please continue to preserve and take any additional steps necessary to preserve *all* records covered by this notice. Such records should be not altered, discarded or destroyed, even if they are in draft or preliminary form.

Records covered by this notice should be preserved even if they would otherwise be routinely discarded or deleted under applicable records retention policies and protocols.

The requirements of this notice should be distributed to those individuals who may, in your best judgement, have potentially responsive records.

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## *Agenda for meeting on 4 April 2014*

1. Introductions
2. Terms of reference
3. Initial Information Request
4. Working Arrangements & Data Access
5. Timetable
6. LBTH team
7. Any other matters



Department for  
Communities and  
Local Government

Mr Stephen Halsey  
Head of Paid Services  
Tower Hamlets Council  
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Mulberry Place  
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Sir Bob Kerslake  
Permanent Secretary, DCLG  
and Head of the Civil Service

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4 April 2014

Dear Mr Halsey,

As you will see from the attached letter from Helen Edwards, Director General of Localism at the Department for Communities and Local Government, the Secretary of State has, in exercise of his powers under section 10 of the Local Government Act 1999, appointed PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act in relation to the authority's functions in respect of governance, in particular the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of these documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. I should advise you that certain material is also being passed to the police for their consideration. He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments.

The Secretary of State has given certain directions to PwC in relation to their undertaking the inspection. PwC are directed that the matters to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for entering into contracts. PwC are also directed that the inspection cover matters in relation to the period from the date at which the Mayoral form of governance was implemented in Tower Hamlets, on Monday 25 October 2010, to the present.

It is envisaged that PwC will report the findings of the inspection to the Secretary of State by 30 June 2014, although a later report date may be agreed between PwC and the Secretary of State.

Finally, section 11 of the Local Government Act 1999 provides that an inspector has a right of access at all reasonable times to any premises of the authority and to any document, including electronic documents, relating to the authority which appear to the inspector to be necessary for the purposes of inspection. Statute also provides that the authority shall provide the inspector with every facility and all information which the inspector may reasonably require for the purposes of inspection, and that the authority being inspected must pay the reasonable fees of the inspector. I am sure that you will ensure full co-operation with the inspection.

A handwritten signature in black ink, appearing to read 'Rb Kerlake', with a stylized flourish at the end.

**SIR BOB KERSLAKE**



Department for  
Communities and  
Local Government

Will Kenyon  
Partner  
PricewaterhouseCoopers LLP  
By email

Helen Edwards  
*Director General, Localism*

*Department for Communities and  
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4 April 2014

Dear Will Kenyan

**Letter of appointment**

I am writing to inform you that the Secretary of State, in exercise of his powers under section 10 of the Local Government Act 1999 (as amended by the Local Audit and Accountability Act 2014), hereby appoints PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act in relation to the authority's functions in respect of governance, particularly the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment and the directions set out below, the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of those documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments.

The Secretary of State also, in exercise of his powers under section 10 (4) (b) of the 1999 Act, gives the following directions to PwC in relation to their undertaking the inspection.

First, PwC are directed that the matters to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the

authority in relation to publicity, and the authority's processes and practices for entering into contracts.

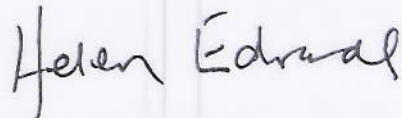
Second, PwC are directed that the inspection is to cover matters in relation to the period from the date at which the Mayoral form of governance was implemented in Towers Hamlets on Monday 25 October 2010 to the present.

Third, PwC are directed to report the findings of the inspection to the Secretary of State by 30 June 2014, or such later date as the inspector may agree with the Secretary of State.

The Secretary of State may following receipt of PwC's report or otherwise issue further directions to PwC.

Section 12 of the Local Government Act 1999 provides that the authority to be inspected must pay PwC's reasonable fees for carrying out the inspection.

Yours sincerely

A handwritten signature in black ink that reads "Helen Edwards". The signature is written in a cursive style with a large initial 'H'.

**Helen Edwards**  
**Director General, Localism**





## HEAD OF PAID SERVICE

Sir Bob Kerslake  
Permanent Secretary DCLG & Head of Civil Service  
Department for Communities & Local Government  
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[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

10<sup>th</sup> April 2014

Dear Sir Bob

Thank you for your letter dated 4 April 2014 informing me of the Secretary of State's decision to cause an inspection to take place in exercise of his powers under section 10 of the Local Government Act 1999. As you may already be aware, I have now met with the inspectors from PwC, and they have commenced their work. May I assure you of the Council's intention to co-operate fully with PwC.

I am writing to seek further information in respect of the Secretary of State's decision. For the sake of clarity and brevity I will simply list the points that arise.

(1) You explain that in reaching the decision to exercise his section 10 powers the Secretary of State has had regard to "*certain documents*" received by the Department which concern governance in Tower Hamlets. Could you please provide me with copies of these documents.

(2) Your letter refers to "*allegations about poor governance and possible fraud*". I assume that these allegations are part of the basis for the Secretary of State's decision. Could you set out (a) the specifics of the allegations concerning poor governance explaining in each case what it is that is said to have constituted the poor governance and when the events relied on took place; and (b) the same details in respect of the allegations of fraud.

(3) You say that in reaching the decision to exercise his powers under section 10 of the 1999 Act, the Secretary of State had regard to matters referred to in the BBC Panorama programme broadcast on 31 March 2014. Could you identify which matters referred to in the programme the Secretary of State took into account.

(4) Your letter states the terms of reference which the Secretary of State has given to PwC (as also set out in Helen Edwards' letter to PwC dated 4 April 2014, see the fourth paragraph of that letter). The terms of reference are broadly stated; PwC have been instructed to inspect generally in respect of the period from 25 October 2010 to date, and instructed "*in particular*" to investigate "*the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for*

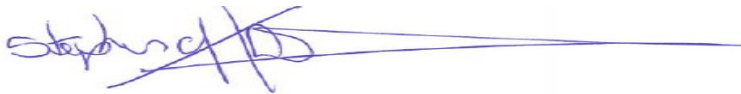
*entering into contracts*". Under section 10(1) the power to appoint an inspector is given in respect of whether a best value authority has complied "... *with the requirements of Part 1 of the 1999 Act in relation to specified functions*". I would be grateful if you could explain the way in which the terms of reference given to PwC correspond to the Secretary of State's power under section 10 of the 1999 Act. Which particular events have caused the Secretary of State to conclude that an inspection should be undertaken; in what respects have these matters caused the Secretary of State to suspect that (in the period since October 2010) Tower Hamlets may have failed to comply with requirements under Part 1 of the 1999 Act; which requirements under Part 1 of the 1999 Act are the ones material for the purposes of the Secretary of State's decision, and for the purposes of the inspection the Secretary of State has instructed PwC to undertake.

(5) You say that the Secretary of State has also passed "*certain material*" to the police for their consideration. Could you provide me with a copy of the letter (or other communication) sent to the police, and also identify the material that has been provided to the police.

May I make it clear that I make these requests only so that Tower Hamlets (a) can be properly informed of the reasons for the Secretary of State's exercise of his power under section 10 of the 1999 Act, and the factual basis on which the decision was taken; and (b) can understand the scope of the inspection including how it corresponds to the section 10 power. I confirm that information provided in response to the requests set out above will be used only for purposes connected with the section 10 inspection.

I would be grateful if you could provide the information requested as a matter of urgency. I look forward to hearing from you.

Yours sincerely



**Stephen Halsey**  
**Head of Paid Service & Corporate Director Communities, Localities & Culture**





**Department for  
Communities and  
Local Government**

Stephen Halsey  
Head of Paid Service  
London Borough of Tower Hamlets  
Tower Hamlets Town Hall  
6<sup>th</sup> Floor, Mulberry Place  
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**Sir Bob Kerslake**  
*Permanent Secretary, DCLG  
and Head of the Civil Service*

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17 April 2014

Dear Mr Halsey,

**Tower Hamlets Council: best value inspection**

Thank you for your letter of 10 April. In that letter, you request certain information, material and explanations from the Department and provide an assurance of your Council's intention to co-operate fully with the inspection.

I welcome that assurance. The focus of all must now be on enabling the inspection to be effectively undertaken as efficiently and expeditiously as possible. The letter appointing the inspector, a copy of which I sent to you on 4 April, sets out clearly the basis of the Secretary of State's decision, the statutory powers which he exercised, and the scope and likely duration of the inspection, providing your Council with the information that it needs to fulfil its obligations in relation to the inspection.

As to your requests, it is clear from the appointment letter that the Secretary of State considered it appropriate, given the circumstances of Tower Hamlets, to exercise his powers under the Local Government Act 1999 to appoint an inspector to carry out a best value inspection of your Council. The appointment letter explains that in making the appointment, the Secretary of State had regard to certain documents that the Department has received about governance in Tower Hamlets, a review of those documents undertaken by PwC, and the Panorama programme broadcast on 31 March. Some of this material – the Panorama programme – is already in the public domain. Other material has been provided to the Department on a confidential basis and it would be a breach of confidence and risk impeding the ongoing inspection, and any potential future police investigation, to make this information more widely available, including to your Council.

Finally, I would add that I very much appreciate your efforts, and those of your senior officers and staff, to ensure that the inspection has to date run smoothly, and will continue to do so.

**SIR BOB KERSLAKE**

Sir Bob Kerlake  
Department for Communities and Local  
Government  
Eland House  
Bressenden Place  
London SW1E 5 DU

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8 May 2014

[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

Our Ref: L/MSG  
Your Ref:

Dear Permanent Secretary

**RE: Tower Hamlets Council Best Value Inspection**

Thank you for your letter dated 17 April 2014. The Head of Paid Service has passed it to me and asked me to respond on the Council's behalf and to lead on the engagement of the Council with the Extraordinary Audit mandated by the Secretary of State on 4 April and being undertaken by PwC.

I regret to say that your letter is entirely unsatisfactory.

In his letter to you dated 10 April 2014, Mr. Halsey raised 5 points with a view to obtaining an explanation of the reasons for the Secretary of State's decision to initiate an inspection pursuant to section 10 of the Local Government Act 1999. I will not repeat those points in full, but by way of summary, Mr. Halsey (1) requested copies of the documents which the Secretary of State had said he took into account when reaching his decision; (2) asked for details of the "allegations about poor governance and possible fraud" which the Secretary of State had said should be investigated (but had not identified); (3) asked the Secretary of State to identify the matters referred to in the *Panorama* broadcast of 31 March 2014, which he said he had taken into account (but had not identified); (4) asked the Secretary of State to explain how the PwC terms of reference were consistent with the scope of the section 10 power, and to state the matters that had led him to suspect that in the period since October 2010 (the period specified by the Secretary of State) the Council may not have complied with its obligations under Part 1 of the 1999 Act; and (5) asked that the Secretary of State identify and provide copies of the material he said he had passed to the Police.

Your letter dated 17 April 2014 does not even attempt to address these matters. It does no more than – in the barest of outline – summarise the content of the letter dated 4 April 2014. It provides no further information at all.

In respect of some of the information you state that disclosure would “*risk impeding the ongoing inspection and any future police investigation*”. This reference to the possibility of police investigation is entirely speculative. As you know, on 16 April 2014 the Metropolitan Police stated publicly that the information provided to them (presumably by the Secretary of State) provided “*no credible evidence of criminality*”. As to the possibility that disclosure of some of the information relied on by the Secretary of State might impede the inspection, even if this concern is warranted, it does not prevent the Secretary of State providing the Council with copies of the remainder of the information he relied on. Nor does it prevent you from providing answers to the points summarised at (2) – (4) above, or prevent you from providing copies of the documents referred to at (5) above.

You also say that some of the material relied on by the Secretary of State was provided to him on a “confidential basis”. To the extent that when taking the decision to exercise his section 10 power the Secretary of State relied on documents that were not provided to him on a “confidential basis”, the points made in the last paragraph apply – i.e. as this condition clearly did not apply to all information relied on by the Secretary of State, it cannot provide a reason for refusing to provide that other information. However, there is also a more fundamental point. It is entirely inappropriate for a Secretary of State to exercise statutory powers of investigation and then simply assert that “confidentiality” prevents him saying why. While I can see that in some circumstances the legitimate requirements of an investigation may justify holding back some information, temporarily, this is not the point that you make in this part of your letter. Rather, you seem to be saying that because some information has been provided “on a confidential basis” the Secretary of State is unable to provide any reasons for his decision. With respect, that is not an appropriate or permissible approach to a matter of public importance. If you disagree, please explain why the public interest properly to understand the reasons for the Secretary of State’s decision does not outweigh the condition of confidentiality that you rely on.

I invite you to reconsider your position, and to provide proper responses to the points set out in Mr. Halsey’s letter dated 10 April 2014.

This is a matter of real importance. As you also know, the inspection that may take place is “an inspection of ... compliance with the requirements of [Part 1 of the 1999 Act] in relation to specified functions”. The Secretary of State must have reasonable grounds for a decision to exercise his powers, and any decision to exercise the powers must itself be reasonable and proportionate. As matters presently stand it is far from clear that the Secretary of State’s decision to exercise his section 10 powers was a lawful decision.

*First*, you have declined to provide any response to the matters raised by Mr. Halsey. For the reasons set out above, your approach is not justified.

*Second*, the conduct of the inspectors that the Secretary of State has appointed PwC suggests that there is no proper basis for the decision to inspect the Council’s compliance with its obligations under Part 1 of the 1999 Act. For example, PwC have requested copies of all emails sent and received, in the period from October 2010 to date, by 27 of the elected members of the Council and 47 of its officers. The request covers all functions of the Council

– it does not distinguish between those functions of the Council that are overseen by Government Departments other than DCLG and it is not limited even to the functions mentioned in the Secretary of State's letter dated 4 April 2014. Such a blanket request strongly suggests that what is taking place is not an inspection in respect of specific concerns, but rather a trawl through vast quantities of information in the hope that something to inspect will crop up. Moreover, it is more than a little concerning that without any form of explanation, the request directed to the emails of elected members covers 13 of the 26 Labour Party Councillors, 12 of the 15 elected members who are not members of any political group, the sole Liberal Democrat Councillor, but no Councillor from any other political party. In this regard too the request is simply for every email sent and received in the course of almost 4 years; there is no attempt to focus the request. If these two matters (lack of explanation for selection of the class; unlimited scope of the request) are taken together, the appearance is of an investigation driven by political considerations, not one that is genuinely concerned with the Council's compliance with its obligations under Part 1 of the 1999 Act. The investigation is not focused even on the matters referred to in the Secretary of State's letter dated 4 April 2014; and if this is so then it strongly suggests that the reasons for the Secretary of State's decision are not the ones set out in that letter.

*Third*, even putting the reasons for the section 10 decision to one side, the scope of the inspection appears to be entirely disproportionate. To give just one example, even assuming that the Secretary of State is concerned with some of the property transactions undertaken by the Council since 2010, does that concern really include all the Right to Buy sales, all grants of tenancies and all decisions on commercial lettings? PwC have asked to review all those transactions. Based on what the Secretary of State's inspectors are doing, the Council is faced with a largely unfocussed and incoherent set of issues. This too is at odds even with what the Secretary of State said in his 4 April 2014 letter.

I would be grateful for a substantive response to the matters set out above. The Council has serious concerns as to the legality of the Secretary of State's decision to exercise his section 10 powers, and in respect of his decision as to the scope of the inspection now in progress. I would be grateful if you could provide that response as soon as possible.

Pending your response, please take notice that I shall be requiring PwC to specify how their current and any future data requests are directed towards the Council's compliance with Part 1 of the 1999 Act and also how they relate to the four areas of attention that the Secretary of State mandated in their Letter of Appointment of 4 April 2014. I shall be advising the Council that it has no legal obligation to respond to requests for data from PwC that are beyond both their statutory and mandated remit and certainly not to pay for any audit activity which is beyond their proper authority.

Yours sincerely



**Meic Sullivan-Gould**  
**Interim Monitoring Officer**



Department for  
Communities and  
Local Government

Meic Sullivan-Gould  
Interim Monitoring Officer  
London Borough of Tower Hamlets  
Via email  
Meic.sullivan-gould@towerhamlets.gov.uk

14 May 2014

Dear Mr Sullivan-Gould

**Re: Tower Hamlets Best Value Inspection**

Thank you for your letter of 8 May 2014 to Sir Bob Kerslake, to which I have been asked to respond. In your letter you explain that your Council has serious concerns about the legality of the Secretary of State's decision to exercise his section 10 powers, including about the legality of the scope of the inspection. You also ask Sir Bob Kerslake to re-consider the position he set out in his letter of 17 April in response to a letter of 10 April to him from Mr Halsey, your Council's Head of Paid Service & Corporate Director Communities, Localities & Culture.

In his letter of 10 April, Mr Halsey assured Sir Bob of the Council's intention to co-operate fully with PwC, an assurance which Sir Bob welcomed in his response of 17 April. In this context, I hope my comments below will assist your Council fully to fulfil its intention, enabling the inspection to be effectively undertaken as efficiently and expeditiously as possible – which should be the focus now for all, as Sir Bob highlighted in his letter.

The Secretary of State has appointed PwC to carry out a best value inspection (not an Extraordinary Audit to which you make reference in your letter) of the compliance of your Council with the requirements of Part 1 of the Local Government Act 1999 in relation to certain functions. These 1999 Act requirements include the general duty that an authority must 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.

As is stated in the letter of appointment to PwC, the current inspection is of compliance with the 1999 Act duties mentioned above in relation to your Council's functions "in respect of governance, particularly the authority's functions under section 151 of the Local Government Act 1972". These are the specified functions for the purposes of section 10(1) of the 1999 Act. The inspection is thus wide-ranging and the Secretary of State is clear that any matter relating to the arrangements your Council has made and operated for its governance is within scope.



It is a misreading of the appointment letter to see the scope of the inspection as being limited to the four particular matters mentioned. These four matters are referred to in a direction given to PwC pursuant to section 10(4)(b) of the 1999 Act, being the matters to which initially the inspection should in particular relate. If the inspectors consider that in order to fulfil their appointment relating to your Council's governance functions they need to cover other matters, it is appropriate for them to do so.

Best value inspections under the 1999 Act are the preliminary stage of a process which may lead to the authority concerned being directed by the Secretary of State to undertake a possible range of actions as provided for in section 15 of the 1999 Act. Specifically, section 13 of the 1999 Act provides that an inspector's report must both mention any matter in respect of which the inspector believes as a result of the inspection that the authority is failing to comply with the 1999 Act duties, and may recommend, if there is such a matter, that the Secretary of State gives a direction under section 15 of the 1999 Act.

As you say, the Secretary of State's decision to appoint a person to carry out an inspection must be reasonable and proportionate. Given that an inspection is a preliminary stage of a process designed to inform objectively any further stages of the process, it is reasonable and proportionate to instigate an inspection in circumstances where significant allegations have been raised, publicly or otherwise, which cast doubt on an authority's compliance with its 1999 Act duties. Moreover, any such inspection needs to be sufficiently wide and comprehensive to provide, as the case may be, either a robust assurance that in fact there is compliance, or both to identify matters of non-compliance, and if the inspector considers appropriate, for him to recommend the Secretary of State gives directions under section 15 of the 1999 Act.

In the case of your Council, as the appointment letter states, appropriate further investigations of your council were recommended by PwC, a well-respected audit firm, to establish whether allegations about poor governance and possible fraud, made in certain documents reviewed by PwC, have any foundation. Moreover, as also stated in the appointment letter, significant allegations have been made in the BBC Panorama programme about governance failures, poor financial management and possible fraud – these allegations alone being reason enough to instigate the inspection which is being carried out.

In short, the Secretary of State's reasons for appointing inspectors are as follows. Serious allegations have been made about governance at Tower Hamlets. A well-respected audit firm has recommended further investigation about certain allegations. In these circumstances, serious doubt has been cast on whether your Council is compliant with its 1999 Act duties in relation to the exercise of its governance functions. Accordingly, the Secretary of State believes an inspection is necessary to provide either assurance of compliance or to identify matters of non-compliance, and possibly appropriate remedial action. He is clear that without such an inspection the public could have no continuing confidence that your Council has in place arrangements to ensure it delivers value for money in its use of public resources.

Against this background, Sir Bob Kerslake has reviewed his letter to Stephen Halsey of 17 April and considered his position afresh. He remains of the view that the reasons for the Secretary of State's decisions as to the inspection and its scope are clear, and above

I have further articulated these and the approach the Secretary of State has adopted to the exercise of his section 10 powers.

Sir Bob also remains of the view that some of the material to which the Secretary of State had regard – the Panorama programme – is in the public domain, and that “other material has been provided to the Department on a confidential basis and it would be a breach of confidence and risk impeding the ongoing inspection and any **potential** future police investigation [my emphasis: in your letter you misquote Sir Bob as referring to “any future police investigation”], to make this information more widely available, including to your Council”. Moreover, he does not accept your suggestion that reference to the possibility of police investigation is entirely speculative; in their statement the Metropolitan Police Service stated that “it is appropriate for the material to be reviewed further by PwC and DCLG. We will continue to liaise with them should their audit uncover any evidence of criminality”.

Finally, you refer to certain matters relating to the conduct of the inspection. These are entirely matters for the inspector. I have explained the basis of the appointment and the scope of the inspection. How the inspectors discharge their remit is a matter for them. It is important, as you will appreciate, that whatever precise approach they adopt, for example in relation to obtaining documents and information, it will ensure the completeness and robustness of their conclusions, having regard to their remit to report your Council’s compliance with its duties under Part 1 of the 1999 Act in relation to its functions in respect of governance, particularly the authority’s functions under section 151 of the Local Government Act 1972.

Yours sincerely,

A handwritten signature in black ink that reads "P. Rowsell". The signature is written in a cursive style with a horizontal line underneath the name.

**Paul Rowsell**





Department for  
Communities and  
Local Government

Mr Chris Holme  
Acting Corporate Director, Resources /  
Section 151 Officer  
London Borough of Tower Hamlets  
Email: [chris.holme@towerhamlets.gov.uk](mailto:chris.holme@towerhamlets.gov.uk)

28 May 2014

Dear Mr Holme

**London Borough of Tower Hamlets Best Value Inspection**

Thank you for your letter of 12 May 2014 to Sir Bob Kerslake, to which I have been asked to respond. In your letter, you state that you are aware that section 12 of the Local Government Act 1999 provides that the London Borough of Tower Hamlets must pay the reasonable costs of the inspector and you ask to know "the principles which the Secretary of State intends to put in place for the purposes of determining how and by whom 'reasonable fees' will now be determined".

The statute makes no provision about any determination of fees, rather it places a duty on the authority concerned to pay the reasonable fees of the inspector for carrying out the inspection. In short, the authority must pay the fees charged by the inspector as long as these are reasonable.

In practice, the fees which the inspector, PwC, will charge are those in accordance with the competitive rates for which provision is made in an existing call-off framework contract which the Department entered into with PwC in April 2013. The amount of fees charged will of course depend on the work which the inspector considers it necessary to undertake, which will become clearer over the coming weeks. Our intention is that as soon as practicable – likely to be early June – we will be able to give you some indication of the aggregate amount of fees which your council will have to pay.

Yours sincerely

Paul Rowsell



The Rt.Honourable Eric Pickles MP  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Via Email: [eric.pickles@communities.gsi.gov.uk](mailto:eric.pickles@communities.gsi.gov.uk)

2 June 2014

**Lutfur Rahman**  
Mayor of Tower Hamlets

Tower Hamlets Town Hall  
5 Clove Crescent  
London E14 2BG

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Dear Mr Pickles,

You will be aware that Tower Hamlets' residents have re-elected me as their Mayor for the next four years. It continues to be an honour for me to serve all residents and I am sure you share my view that the best way to do so is for local, regional and national politicians to find common ground and work together.

My officers have updated me on your auditors' inspection which I continue to welcome. I trust you will agree that we have offered every assistance and I very much hope that they will report within the original timeframe, especially in light of the announcement by the Metropolitan police that they have received no credible evidence of criminality.

I am concerned about the mounting costs of the inspection, which as you will be aware, are paid for by Tower Hamlets' council tax payers. In a letter from your permanent secretary to my chief finance officer, it appears that Price Waterhouse Coopers will charge competitive rates with no upper limit on the costs.

We have asked your officials on several occasions for clarity regarding the evidence justifying the audit, the likely costs to be borne by local residents and the extent to which the audit remains within the parameters set by the legal powers you have used. To date we have not received a satisfactory response to the above.

In the context of national government cuts to local government requiring the council to find savings of over £100m over the next three years, it is incumbent upon both of us to ensure the inspection is carried out as efficiently as possible. This should of course be done without compromising Price Waterhouse Coopers' ability to thoroughly complete their deliberations. I would be grateful therefore if we could meet to discuss a way forward on this.

I would finally like to take this opportunity to invite you to visit the borough to meet officers, residents and our third sector partners to see first-hand our achievements over the past four years and our plans for the next four.

I look forward to your reply.

Yours sincerely,

Lutfur Rahman  
Mayor of Tower Hamlets

**Mr Paul Roswell**

Deputy Director - Democracy  
Department for Communities and Local  
Government  
3/J1 Eland House  
Bressenden Place  
London  
SW1E 5DU

By email in the first instance to:  
paul.roswell@communities.gov.uk

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02 June 2014

Our Ref: STC.58/DG

Dear Mr. Rowsell,

**Re: Proposed claim for judicial review; letter before claim**

I act on behalf of the London Borough of Tower Hamlets. I write in response to your letter dated 14 May 2014 to Mr. Sullivan-Gould. Please note that this letter is a formal letter before claim, and follows the format of the pre-action protocol.

**1. To**

The Secretary of State for Communities and Local Government  
Eland House, Bressenden Place, London. SW1E 5DU

**2. The Claimant**

The London Borough of Tower Hamlets  
6<sup>th</sup> Floor Legal Services, 5 Mulberry Place, London, E14 2BJ DX 42656 Isle of Dogs

**3. Reference details**

Please send any correspondence in relation to this matter to me, at the above address, marked with reference STC.58/DG

#### **4. Details of the matter being challenged**

The Secretary of State's decision to appoint inspectors to undertake an inspection of the Council, pursuant to section 10 of the Local Government Act 1999, as set out in the letter to the Council dated 4 April 2014, and as further stated in the letter to the Council dated 14 May 2014.

#### **5. The issue**

In summary, the Council contends as follows.

*First*, the Secretary of State has unlawfully failed to provide the reasons (alternatively any sufficient statement of the reasons) for the decision to cause an inspection to take place in exercise of his powers under section 10 of the 1999 Act.

*Secondly* (and consequent upon his failure to state the reasons for his decision), the Secretary of State has unlawfully failed to provide responses to requests for information and for documents as set out in the Council's letter dated 10 April 2014. See further at (5) below.

*Thirdly*, the Secretary of State's exercise of his section 10 power is unlawful. In the absence of any proper statement of the reasons for the decision, there is no basis for a conclusion that the Secretary of State has exercised his power lawfully: there is no basis to conclude either that there is any sufficient rational grounds for his decision, or that he has exercised his powers under the 1999 Act in pursuit of a legitimate objective, or that the scope of the inspection directed by the Secretary of State is reasonable and proportionate.

The Secretary of State has failed to explain the connection between the four matters he has directed PWC to inspect (see at (2) below) and the purpose of the power under section 10 of the 1999 Act, which is to ensure compliance with obligations arising under Part 1 of the 1999 Act. Further, in his most recent letter (see below at

(8)) he has stated that the inspection covers all matters relating to the arrangements made by the Council for its own governance. The Secretary of State has provided no basis for a decision to undertake such a wide-ranging inspection (and had not previously stated that this was the scope of the inspection).

(1) The Secretary of State's decision is contained in the letter to the Council dated 4 April 2014. Pursuant to section 10 of the Local Government Act 1999 ("the 1999 Act") the Secretary of State appointed inspectors (Pricewaterhouse Coopers Plc – "PWC") to undertake an inspection relating to the Council's compliance with the requirements of Part 1 of the 1999 Act. The primary obligation under Part 1 of the 1999 Act is at section 3(1) and requires a best value authority to "*... make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*". The Secretary of State's letter also stated that the inspection would relate to "*the [Council's] functions in respect of governance, in particular the [Council's] functions under section 151 of the Local Government Act 1972*". Section 151 of the 1972 Act requires every local authority to "*... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs*".

(2) The letter stated that the Secretary of State had directed PWC to consider (1) payment of grants and connected decisions; (2) the transfer of property to third parties; (3) spending and decisions in relation to publicity; and (4) processes and practices for entering into contracts (referred to together in this letter as "the four matters").

(3) The second paragraph of the letter stated as follows (so far as material for present purposes).

*"In making this appointment the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of these documents undertaken by PWC, which*



*recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. ... He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments."*

(4) Since 4 April 2014 there has been further correspondence between the Council and the Secretary of State: see, letters dated 10 April 2014, 17 April 2014, 8 May 2014, and 14 May 2014. For present purposes, the content of these letters may be summarised as follows.

(5) By its letter dated 10 April 2014 the Council: (a) asked the Secretary of State to identify the "*certain documents*" referred to in the letter dated 4 April 2014 and to provide copies of those documents; (b) asked the Secretary of State to identify the allegations of "*poor governance*" and "*possible fraud*" which he had taken into account when deciding to appoint the inspectors; (c) asked the Secretary of State to identify the matters referred to in the BBC Panorama programme which he had taken into account; and (d) asked the Secretary of State to explain the way in which the proposed inspection into the four matters corresponded to the Secretary of State's power under section 10 of the 1999 Act.

(6) The letter dated 17 April 2014 sent on behalf of the Secretary of State asserted that the 4 April 2014 letter "*sets out clearly the basis of the Secretary of State's decision*". The letter did not attempt to address the point at (d) above. As regards the matters at (a) and (c) above, the letter stated that "*some material*" was already in the public domain, but did not attempt to say what this was; it stated that other material had been provided on a "*confidential basis*". In any event, the Secretary of State did not provide copies of any documents relied on for the purposes of his decision under section 10 of the 1999 Act. The letter did not address the point at (b) above at all.

(7) By a letter dated 8 May 2014 the Council stated that the Secretary of State's response was unsatisfactory, and repeated its requests. The Council also stated that in the absence of further explanation it was not clear that the Secretary of State had acted lawfully either in deciding to appoint inspectors or in respect of the terms of reference of the inspection; and that this conclusion was supported by the actions of PWC who had made blanket requests for information, not directed to the four matters which the Secretary of State had referred to in his 4 April 2014 letter.

(8) The Secretary of State's letter dated 14 May 2014 stated that *"the inspection is ... wide-ranging and the Secretary of State is clear that any matter relating to the arrangements your Council has made and operated for its governance is within scope"*. The letter asserted that *"significant allegations"* had been raised that *"cast doubt"* on the Council's compliance with duties under the 1999 Act, and that *"serious allegations have been made about governance at tower Hamlets"* and that PWC had recommended *"further investigation about certain allegations"*; however the letter did not identify what the allegations were. So far as the conduct of the inspection was concerned, the Secretary of State asserted that such matters were *"entirely"* for PWC.

(9) The Council's proposed challenge is on the grounds summarised at the beginning of this section.

(10) The Secretary of State was under a duty to state the reasons for his decision. He has failed to provide reasons, and/or sufficient reasons for his decision under section 10 of the 1999 Act, and has therefore acted unlawfully. The Secretary of State should have addressed the questions posed in the Council's letter dated 10 April 2014 (see at (5) above). He has not done so. In the premises, (a) the Secretary of State has unlawfully failed to identify the allegations which caused him to exercise his powers; (b) the Secretary of State has unlawfully failed to identify or provide copies of relevant documents which he took into account when taking his decision; (c) the Secretary of State has unlawfully failed to state reasons which explain the connection between the four matters identified in his letter dated 4 April 2014 and the

purpose for which an inspection may be undertaken in exercise of the section 10 powers; and (d) the Secretary of State has unlawfully failed to provide reasons which explain the basis for the decision (referred to in his letter dated 14 May 2014) for a “*wide-ranging*” inspection concerning any matter relating to arrangements made by the Council for its governance.

(11) In the absence of any sufficient explanation of the reasons for the Secretary of State’s decision, the Council contends as follows. (a) The decision is unlawful because there is no rational basis for it. (b) The section 10 power is not a power to inspect or investigate at large. It is a power to inspect in relation to compliance with obligations arising under Part 1 of the 1999 Act. There is no relevant and rational connection between the four matters and the purpose for which the section 10 power to inspect may be used. (c) The Secretary of State has now made it clear that his decision is that there should be a “*wide-ranging*” inspection concerning any matter relating to arrangements made by the Council for its governance. There is no rational basis for a decision to undertake an inspection of that nature and scope.

## **6. Details of the action that the Secretary of State is expected to take.**

(1) The Secretary of State should, forthwith, make good his failure to state the reasons for his decision, and should address the matters summarised at (10)(a) – (d) above.

(2) The Secretary of State should direct that the inspection presently in progress should cease. He should agree to meet the costs of the inspection to date (i.e. the costs of the inspectors which will otherwise fall on the Council by reason of section 12 of the 1999 Act).

(3) In the event that proceedings are issued, as presently advised the Council is minded to seek the following orders: (a) interim relief in the form of an injunction preventing the continuation of the inspection pending determination of the application for judicial review; (b) a mandatory order requiring the Secretary of State to provide

reasons for his decision, and without prejudice to the generality of the foregoing, to address the matters summarised at (10)(a) – (d) above; (c) an order quashing the Secretary of State’s decision under section 10 of the 1999 Act; (d) an order requiring the Secretary of State to indemnify the Council in respect of any inspection fees that may be imposed on it pursuant to section 12 of the 1999 Act; (e) an order for compensation in respect of the loss and damage caused to the Council consequent upon the Secretary of State’s exercise of his section 10 powers.

**7. Details of legal advisers dealing with this claim**

As stated above, I act on behalf of the Council in respect of this claim. Please address all correspondence to me using the address and reference details stated at 2 and 3 above.

**8. Details of any interested parties**

The Council has not identified any interested parties

**9. Details of information sought; documents requested**

The Secretary of State is requested to provide the following information and documents.

(a) Identify the “*certain documents*” referred to in the letter dated 4 April 2014 and to provide copies of those documents, together with copies of all other documents relied on for the purpose of the decision under section 10 of the 1999 Act.

(b) Identify the allegations of “*poor governance*” and “*possible fraud*” and/or any other allegation which he had taken into account when deciding to appoint the inspectors, and/or caused him to take the decision he did in exercise of his powers under section 10 of the 1999 Act.

(c) Identify the matters referred to in the BBC Panorama programme which he had taken into account.

(d) State how the inspection into the four matters specified in the 4 April 2014 letter corresponds to the Secretary of State's power under section 10 of the 1999 Act.

(e) State the reasons which explain the basis for the decision (referred to in his letter dated 14 May 2014) for a "wide-ranging" inspection concerning any matter relating to arrangements made by the Council for its governance.

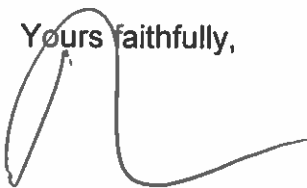
**10. The address for reply and for service of court documents**

The London Borough of Tower Hamlets  
6<sup>th</sup> Floor Legal Services, 5 Mulberry Place, London, E14 2BJ  
DX 42656 Isle of Dogs  
Reference: STC.58/DG

**11. Proposed date for reply to this letter**

A response to this letter is requested within 14 days of the date of this letter.

Yours faithfully,



David Galpin  
**Service Head Legal Services**



Department for  
Communities and  
Local Government

Mr David Galpin  
Service Head Legal Services  
London Borough of Tower Hamlets  
5 Mulberry Place  
London  
E14 2BJ  
DX 42656 Isle of Dogs  
By email:  
[david.galpin@towerhamlets.gov.uk](mailto:david.galpin@towerhamlets.gov.uk)

11 June 2014

Your ref: STC.58/DG

Dear Mr Galpin

**Proposed claim for judicial review; letter before claim**

Thank you for your letter of 2 June, which is a formal letter before claim seeking to challenge the Secretary of State's decision to undertake an inspection of your Council pursuant to section 10 of the Local Government Act 1999.

You ask for a response within 14 days of the date of your letter. The letter was received in the Department on Thursday 5 June by hard copy. No email attaching the letter was received, presumably because the email address on the top of the letter is incorrect. In the circumstances I would be grateful if you could extend your deadline for a response to 14 days from receipt of your letter i.e. by close on Thursday 19 June.

Yours sincerely

**Paul Rowsell**

Paul Rowsell  
Deputy Director - Democracy  
Department for Communities and Local Government  
3/J1, Eland House  
Bressenden Place  
London SW1E 5DU

Tel 0303 44 42568

Email [paul.rowsell@communities.gsi.gov.uk](mailto:paul.rowsell@communities.gsi.gov.uk)

**Mr Paul Rowsell**

Deputy Director - Democracy  
Department for Communities and Local  
Government  
3/J1 Eland House  
Bressenden Place  
London  
SW1E 5DU

By email in the first instance to:  
paul.rowsell@communities.gsi.gov.uk

Directorate of Law, Probity and Governance  
Legal Services  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG  
Tel 020 7364 4348  
Fax 020 7364 4804/4861  
Email david.galpin@towerhamlets.gov.uk  
DX Tower Hamlets Legal Department  
DX 42656 Isle of Dogs  
[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

16 June 2014

Our Ref: STC.58/DG  
Your Ref:

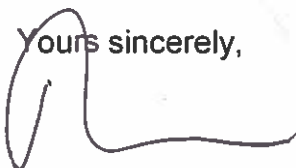
Dear Mr Rowsell,

**Re: Proposed claim for judicial review; letter before action**

Thank you for letter dated 11<sup>th</sup> June 2014.

We agree to an extension for you to respond to our Letter Before Action to close of business on Thursday 19<sup>th</sup> June 2014.

Yours sincerely,



David Galpin  
**Service Head – Legal Services**



Department for  
Communities and  
Local Government

Mr David Galpin  
Service Head Legal Services  
London Borough of Tower Hamlets  
5 Mulberry Place  
London  
E14 2BJ  
DX 42656 Isle of Dogs  
By email:  
[david.galpin@towerhamlets.gov.uk](mailto:david.galpin@towerhamlets.gov.uk)

19 June 2014

Your ref: STC.58/DG

Dear Mr Galpin

**Re: Proposed claim for judicial review; letter before claim**

1. We refer to your letter dated 2 June 2014. Because that letter was sent to an incorrect e-mail address, it was only received by us in hard copy on 5 June 2014, and consequently you have since agreed that we may reply to you by 19 June. In accordance with the pre-action protocol for judicial review, this is our response to your letter before claim.

***The proposed claimant***

2. The proposed claimant is the London Borough of Tower Hamlets ("the Council"), Legal Services, 6<sup>th</sup> Floor, 5 Mulberry Place, London E14 2BJ, DX 42656 Isle of Dogs

***The proposed defendant***

3. The proposed Defendant is the Secretary of State for Communities and Local Government.

Paul Rowsell  
Deputy Director - Democracy  
Department for Communities and Local Government  
3/J1, Eland House  
Bressenden Place  
London SW1E 5DU

Tel 0303 44 42568

Email [paul.rowsell@communities.gsi.gov.uk](mailto:paul.rowsell@communities.gsi.gov.uk)



**Reference details**

4. This matter is being dealt with by myself, Paul Rowsell, at the address on the first page of this letter.

**Details of the matter being challenged**

5. You are proposing to challenge the Secretary of State's decision of 4 April 2014 to appoint PricewaterhouseCoopers ("PWC") to carry out an inspection of the Council pursuant to s 10 of the Local Government Act 1999 ("the 1999 Act").
6. Although your letter purports to challenge this decision "as further stated" in my letter dated 14 May 2014 to your Council, for the reasons set out below, we do not accept that the letter of 14 May 2014 sets out anything materially different from the Secretary of State's letters of 4 April 2014.
7. Your letter sets out various proposed challenges to the Secretary of State's decision. Insofar as we understand them, they can be summarised as follows:
  - (1) The Secretary of State's decision was irrational. In particular:
    - (a) there is no rational connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act;
    - (b) there is no rational basis for conducting the type of "wide-ranging" inspection referred to in the Secretary of State's letter of 14 May 2014.
  - (2) The Secretary of State unlawfully failed to provide reasons (or, alternatively, sufficient reasons) for his decision. In particular:
    - (a) the Secretary of State did not identify the documents referred to in his letter of 4 April 2014 or provide copies of them;

- (b) the Secretary of State did not identify the particular allegations of poor governance and possible fraud that he took into account when reaching his decision;
- (c) the Secretary of State did not identify the particular matters referred to in the BBC Panorama programme that he took into account when reaching his decision;
- (d) the Secretary of State did not identify the connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act.

- (3) The Secretary of State has unlawfully failed to provide to the Council the information and documents that it requested in its letter of 10 April 2014.

***Response to the proposed challenge***

- 8. At the outset it is important to understand the scheme of Part I of the 1999 Act, and the place of s 10 within that scheme.
- 9. Section 10 of the 1999 Act is part of a legislative scheme that enables the Secretary of State to address failings in a local authority, specifically failings of an authority in its duty under s 3 of the 1999 Act to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (“the best value duty”). The legislative scheme involves a power to commission an inspection of a local authority (pursuant to s 10) and powers either to require an authority to take certain actions or to require that specified functions of the authority are exercised by the Secretary of State or by a person nominated by him (pursuant to s 15).
- 10. The powers to intervene pursuant to s 15 of the 1999 Act arise where the Secretary of State is satisfied that an authority is failing to comply

with its best value duty. Except in cases of urgency, before intervening in a local authority the Secretary of State is required to give the authority an opportunity to make representations, including representations about any inspection report as a result of which the direction is proposed (see s 15(9)).

11. An inspection is, therefore, a preliminary step that is designed to inform a subsequent decision as to whether there should be an intervention. There are a number of important features to note about this preliminary step. First, it is part of the oversight function that Parliament has conferred on the Secretary of State with a view to ensuring that the interests of the residents of a local authority's area are safeguarded and the public purse is protected. Second, Parliament has not prescribed any preconditions that must be met before the Secretary of State may decide to commission an inspection and nor has it prescribed the matters to which the Secretary of State may (or may not) have regard when taking such a decision. Third, Parliament has not prescribed any particular procedural steps that must be taken in relation to such a decision. In particular, Parliament has not, unlike under s 15 of the 1999 Act, required that a local authority have an opportunity to make representations. Fourth, the purpose of an inspection is not to prove or disprove specific allegations, but is to ascertain whether or not a local authority has complied with the best value duty. Fifth, an inspection is embarked upon in order to obtain the full facts of a case, rather than because a particular view of the facts has already been reached. Sixth, it is a process that (in appropriate cases) leads to further stages where, if intervention is contemplated, there is specific provision for the authority concerned both to be provided with the information on the basis of which that intervention is proposed and to make representations on it.
12. In light of the above, it is clear that Parliament intended that the Secretary of State would be entitled to commission an inspection under s 10 of the 1999 Act in circumstances where significant allegations

have been raised, publicly or otherwise, which cast doubt on an authority's compliance with its best value duty. In such circumstances an inspection needs to be sufficiently wide and comprehensive to provide, as the case may be, either a robust assurance that in fact there is compliance with the best value duty, or both to identify any areas of non-compliance and (if the inspector considers it appropriate to do so) to enable a recommendation to be made to the Secretary of State as to what intervention would be appropriate (see s 13(2) of the 1999 Act).

13. Where there is a failure of governance, poor financial management, or incidents of fraud at a local authority, it is almost inevitable that appropriate arrangements have not been made to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Governance failure, poor financial management, and incidents of fraud are typically paradigm manifestations of an authority's failure to comply with its best value duty. Accordingly, where it is alleged that a local authority has suffered from poor governance, poor financial management and/or fraud, that ordinarily suggests that there has been a failure on the part of the local authority to comply with its best value duty.

*(1) Alleged irrationality*

14. The first ground on which you allege irrationality is that there is, you say, no rational connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act.
15. The four matters that were mentioned in the Secretary of State's letters to the Council and PWC dated 4 April 2014 are: (i) the Council's payments of grants and connected decisions, (ii) the transfer of property by the Council to third parties, (iii) the Council's spending

decisions in relation to publicity, and (iv) the Council's processes and practices for entering into contracts.

16. We confess to being somewhat surprised that you should suggest that there is no rational connection between these four matters and the purpose of the power conferred by s 10 of the 1999 Act. As explained above, the purpose of the s 10 power is to inform a subsequent decision as to whether there should be an intervention in a local authority on the ground that the authority has failed to comply with the best value duty. Again as explained above, the best value duty is a duty to make arrangements to secure continuous improvement in the way in which an authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
17. The four matters referred to above all relate to important aspects of the Council's financial management. In our view, it is obvious that if the Council is failing in such important aspects of its financial management, that could (at the very least) suggest that the Council is failing to comply with its best value duty. Accordingly, it is obvious that the report of an inspection which addresses those matters is likely to be relevant to any decision by the Secretary of State to intervene (or not to intervene) in the Council.
18. In this context, we note that your letter provides absolutely no explanation of why you say that there is no rational connection between the four matters referred to above and the decision to commission an inspection. Not only does this constitute a failure to comply with the letter and the spirit of the pre-action protocol, it also suggests to us that you have no such explanation. For the reasons set out above, we find this unsurprising.
19. The second ground on which you allege irrationality is that, you say, there is no rational basis for commissioning the type of "wide-ranging" inspection referred in my letter to the Council dated 14 May 2014.

Before responding to this ground, it is important to address what appears to be a misapprehension evidenced by your letter. You seem to be under the impression that the type of inspection referred to in my letter of 14 May 2014 is somehow different to that referred to in the Secretary of State's letters of 4 April 2014. If you are under any such impression, it is mistaken. The letter to PWC of 4 April 2014 is clear that the inspection is to relate to "the [Council's] functions in respect of governance, particularly under s 151 of the Local Government Act 1972". Accordingly, from the outset, the Secretary of State made it clear that the inspection was to relate to the Council's functions in respect of governance. There was nothing in my letter of 14 May 2014 that was inconsistent with this, or which purported to expand the scope of the inspection as set out in the letters of 4 April 2014. The expression "wide-ranging" that I used in my letter is merely an apt adjective to describe what has been clear from the outset.

20. Turning to the substance of this second ground, your argument appears to be that there is no rational basis for deciding to commission an inspection into the Council's functions in respect of governance generally. Again, we note that in your letter you wholly fail to put forward a positive case to that effect. This is not surprising. As was set out in the Secretary of State's letter to the Council dated 4 April 2014, the Secretary of State had received documents which PWC advised merited further investigation to establish whether there has been, amongst other things, poor governance at the Council and he had had regard to the allegations made by a BBC Panorama programme that, amongst other things, there were governance failures at the Council. The PWC review of the documents stated the following:

"If the allegations made by the sources were well-founded (and, as stated above, we are not currently in a position to evaluate this either way), then this would indicate the existence of potential evidence of:

- Conflicts of interest;
- Abuse of position, possible fraud; and/or

- Failures of governance.

In the light of the above, we would recommend that appropriate further investigations be carried out to establish whether or not in fact the allegations have any foundation.”

21. If there has been poor governance at the Council, that could (at the very least) suggest that the Council is failing to comply with its best value duty. Accordingly, it is obvious that the report of an inspection which addresses those matters is likely to be relevant to any decision by the Secretary of State to intervene (or not to intervene) in the Council.
22. It follows that we reject your contention that the Secretary of State's decision is irrational. Indeed, we consider that your contention has an air of unreality to it. You are, in effect, arguing that where the Secretary of State receives information suggesting that there might have been governance failures, poor financial management and fraud at a local authority, with the potential consequent detriment to the residents of the local authority's area and the public purse that might follow from such failings, he cannot rationally commission an inspection to investigate those matters further. We consider that a court would regard such an argument as totally without merit.

*(2) Alleged failure to provide reasons*

23. The unstated premise of your proposed reasons challenge is that the Secretary of State was under a duty to give detailed reasons for his decision to commission an inspection under s 10 of the 1999 Act. We note that you cite no legal authority for such a proposition. Self-evidently, without knowing the legal basis for the various contentions that you make, we are in some difficulty in responding to them. If, in proper compliance with the Pre-Action Protocol for Judicial Review, you make good this omission, we will of course endeavour to respond further.

24. For the time being, however, even if for the sake of argument one assumes that the Secretary of State was under common law duty to give reasons (Parliament not having imposed any such duty in s 10 of the 1999 Act), bearing in mind the points made in paragraphs 8 to 13 above, we cannot see that such a duty would require the Secretary of State to do anything more than state briefly why he had commissioned an investigation. If such a duty applied, we consider that the Secretary of State has discharged it, both in his letter to the Council of 4 April 2014 and in subsequent correspondence.
25. In particular, in the Secretary of State's letter to the Council dated 4 April 2014, the Secretary of State clearly stated that he was commissioning an inspection under s 10 of the 1999 Act in light of certain documents received by him, PWC's review of those documents, and the BBC Panorama programme, which (as noted above) together raised allegations of poor governance, poor financial management and possible fraud. As explained above, it is obvious that those matters referred to in the Secretary of State's letter, if established, could suggest that the Council is failing to comply with its best value duty, and it was clearly rational for the Secretary of State to decide to commission an investigation on this basis. This was also made clear in my letter to the Council of 14 May 2014:

"Serious allegations have been made about governance at Tower Hamlets. A well-respected audit firm has recommended further investigation about certain allegations. In these circumstances, serious doubt has been cast on whether your Council is compliant with its 1999 Act duties in relation to the exercise of its governance functions. Accordingly, the Secretary of State believes an inspection is necessary to provide either assurance of compliance or to identify matters of non-compliance, and possibly appropriate remedial action. He is clear that without such an inspection the public could have no



continuing confidence that your Council has in place arrangements to ensure it delivers value for money in its use of public resources.”

26. Accordingly, we do not consider that anything more was required by way of reasons. For the avoidance of doubt, we do not consider that the Secretary of State was required to identify particular documents that he relied upon when reaching his decision, particularly when those documents were provided on a confidential basis and where their release might compromise the inspection and/or any future police investigation. Again, we note that you have put forward no legal basis to support your contention to the contrary.

*(3) Alleged failure to provide information and documents*

27. Insofar as you allege that the Secretary of State has acted unlawfully by not providing the Council with information and documents, you have entirely failed to identify the source of the duty to provide the information and documents upon which you rely. Unless and until you do so, we are simply not in a position to respond to this ground of challenge. In any event, we note that this appears to be a criticism of the Secretary of State's actions *after* the date of the decision under challenge, and therefore we do not understand how it could possibly form a basis for quashing the decision itself.

*Delay*

28. We note that almost two months elapsed between the Secretary of State's letters of 4 April 2014 and your letter before claim, during which time the PWC inspection has been ongoing, and the inspections is now in a number of ways well advanced. We also note that there is no explanation for this delay in your letter. Accordingly, should you bring a claim for judicial review of the decision of 4 April 2014, we reserve the right to argue that you have not acted promptly as required by CPR 54.5.

*Conclusion*

29. For the reasons set out above, we do not consider that any of your proposed grounds of challenge have merit, and we do not propose to take the action sought in your letter.
30. Finally, we wish to draw your attention to a letter dated 2 June 2014 from the Mayor of the Council to the Secretary of State. In that letter, the Mayor states that he “welcomes” the inspection and hopes that PWC will provide a report within the time frame originally envisaged. We are unable to reconcile this sentiment with your threat to claim judicial review of the Secretary of State’s decision to commission the inspection and your threat to seek an injunction requiring that the inspection should halt, and we are therefore left somewhat confused as to the Council’s position.

***Details of any interested parties***

31. We do not consider that there are any parties that should be named as interested parties to your proposed claim.

***Address for further correspondence and service of court documents.***

32. Please send any further correspondence on this matter to me at the address on the first page of this letter. Any court documents should be served on:

The Treasury Solicitor (for the attention of Neera Ghajja)  
One Kemble Street  
London WC2B 4TS

Yours sincerely



**Paul Rowsell**



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APPENDIX TWO

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London Borough of Tower Hamlets  
Legal Department  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

DX Address:  
Tower Hamlets Legal Dept.  
DX 42656

**APPENDIX TWO**

01/07/2014	Judicial Review Claim Form
	Grounds for Application & Statement of Facts
	Witness Statement of Meic Sullivan-Gould
	Exhibit MSG1
	Witness Statement of Robin Beattie
	Exhibit RB1

APPENDIX TWO

# Judicial Review Claim Form

In the High Court of Justice  
Administrative Court

Notes for guidance are available which explain how to complete the judicial review claim form. Please read them carefully before you complete the form.

<i>For Court use only</i>	
Administrative Court Reference No.	
Date filed	



## SECTION 1 Details of the claimant(s) and defendant(s)

Claimant(s) name and address(es)

**name**  
London Borough of Tower Hamlets

**address**  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

**Telephone no.**  **Fax no.**

**E-mail address**

1st Defendant

**name**  
Secretary of State-Dept. of Communities and Local Govt.

Defendant's or (where known) Defendant's solicitors' address to which documents should be sent.

**name**  
The Treasury Solicitor

**address**  
FAO Neera Ghajja  
One Kemble Street  
London  
WC2B 4TS

**Telephone no.**  **Fax no.**

**E-mail address**  
thetreasurysolicitor@tsol.gsi.gov.uk

Claimant's or claimant's solicitors' address to which documents should be sent.

**name**  
David Galpin, Service Head - Legal Services

**address**  
Legal Services  
6th Floor Mulberry Place  
5 Clove Crescent  
London, E14 2BG

**Telephone no.**  **Fax no.**

020 7364 4348      020 7364 4804/4861

**E-mail address**  
david.galpin@towerhamlets.gov.uk

2nd Defendant

**name**

Defendant's or (where known) Defendant's solicitors' address to which documents should be sent.

**name**

**address**

**Telephone no.**  **Fax no.**

**E-mail address**

Claimant's Counsel's details

**name**  
Jonathan Swift Q.C. (Junior Counsel-Christopher Knight)

**address**  
11 KBW  
11 King's Bench Walk  
Temple  
London, EC4Y 7EQ

**Telephone no.**  **Fax no.**

020 7632 5800      020 7583 9123/3690

**E-mail address**  
jonathan.swift@11kbw.com



**SECTION 2 Details of other interested parties**

Include name and address and, if appropriate, details of DX, telephone or fax numbers and e-mail

**name**  
N/A

**address**

**Telephone no.** **Fax no.**

**E-mail address**

**name**  
N/A

**address**

**Telephone no.** **Fax no.**

**E-mail address**

**SECTION 3 Details of the decision to be judicially reviewed**

**Decision:**  
The Secretary of State's decision to exercise his powers under Section 10 Local Government Act 1999

**Date of decision:**  
4th April 2014

Name and address of the court, tribunal, person or body who made the decision to be reviewed.

**name**  
Secretary of State

**address**  
Department of Communities and Local Government  
Eland House  
Bressenden Place  
London, SW1E 5DU

**SECTION 4 Permission to proceed with a claim for judicial review**

I am seeking permission to proceed with my claim for Judicial Review.

Is this application being made under the terms of Section 18 Practice Direction 54 (Challenging removal)?  Yes  No

Are you making any other applications? If Yes, complete Section 8.  Yes  No

Is the claimant in receipt of a Community Legal Service Fund (CLSF) certificate?  Yes  No

Are you claiming exceptional urgency, or do you need this application determined within a certain time scale? If Yes, complete Form N463 and file this with your application.  Yes  No

Have you complied with the pre-action protocol? If No, give reasons for non-compliance in the box below.  Yes  No

Have you issued this claim in the region with which you have the closest connection? (Give any additional reasons for wanting it to be dealt with in this region in the box below). If No, give reasons in the box below.  Yes  No

Does the claim include any issues arising from the Human Rights Act 1998?

If Yes, state the articles which you contend have been breached in the box below.

Yes  No

**SECTION 5 Detailed statement of grounds**

set out below  attached

**SECTION 6 Aarhus Convention claim**

I contend that this claim is an Aarhus Convention claim

Yes  No

If Yes, indicate in the following box if you do not wish the costs limits under CPR 45.43 to apply.

If you have indicated that the claim is an Aarhus claim set out the grounds below

**SECTION 7 Details of remedy (including any interim remedy) being sought**

The Council seeks:

1. an order quashing the Decision as unlawfully commences prior to the enactment of section 10; or
2. an order quashing the Decision for failure to provide any or adequate reasons; or
3. an order quashing the Decision as irrational; and
4. an order mandating the Defendant to indemnify the Council in respect of any inspection fees charged to it under section 12.

**SECTION 8 Other applications**

I wish to make an application for:-

N/A

**SECTION 9 Statement of facts relied on**

Please see attached Statement of Facts and Grounds

**Statement of Truth**

I believe (The claimant believes) that the facts stated in this claim form are true.

Full name GRAHAM WHITE, on behalf of DAVID GALPIN

Name of claimant's solicitor's firm Legal Services - London Borough of Tower Hamlets

Signed Graham White  
Claimant ('s solicitor)

Position or office held Interim Head of Legal Operations  
(if signing on behalf of firm or company)

## SECTION 10 Supporting documents

If you do not have a document that you intend to use to support your claim, identify it, give the date when you expect it to be available and give reasons why it is not currently available in the box below.

Please tick the papers you are filing with this claim form and any you will be filing later.

- |   |                                   |  |
|---|-----------------------------------|--|
| <input checked="" type="checkbox"/> Statement of grounds  | <input type="checkbox"/> included | <input checked="" type="checkbox"/> attached |
| <input checked="" type="checkbox"/> Statement of the facts relied on  | <input type="checkbox"/> included | <input checked="" type="checkbox"/> attached |
| <input type="checkbox"/> Application to extend the time limit for filing the claim form   | <input type="checkbox"/> included | <input type="checkbox"/> attached            |
| <input type="checkbox"/> Application for directions   | <input type="checkbox"/> included | <input type="checkbox"/> attached            |
| <input checked="" type="checkbox"/> Any written evidence in support of the claim or application to extend time  |                                   |  |
| <input type="checkbox"/> Where the claim for judicial review relates to a decision of a court or tribunal, an approved copy of the reasons for reaching that decision |                                   |  |
| <input checked="" type="checkbox"/> Copies of any documents on which the claimant proposes to rely  |                                   |  |
| <input type="checkbox"/> A copy of the legal aid or CSLF certificate <i>(if legally represented)</i>  |                                   |  |
| <input type="checkbox"/> Copies of any relevant statutory material  |                                   |  |
| <input type="checkbox"/> A list of essential documents for advance reading by the court <i>(with page references to the passages relied upon)</i>                     |                                   |  |

If Section 18 Practice Direction 54 applies, please tick the relevant box(es) below to indicate which papers you are filing with this claim form:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> a copy of the removal directions and the decision to which the application relates  | <input type="checkbox"/> included | <input type="checkbox"/> attached |
| <input type="checkbox"/> a copy of the documents served with the removal directions including any documents which contains the Immigration and Nationality Directorate's factual summary of the case | <input type="checkbox"/> included | <input type="checkbox"/> attached |
| <input type="checkbox"/> a detailed statement of the grounds   | <input type="checkbox"/> included | <input type="checkbox"/> attached |

Reasons why you have not supplied a document and date when you expect it to be available:-

N/A

a

Signed \_\_\_\_\_ Claimant ('s Solicitor) \_\_\_\_\_

**IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION  
ADMINISTRATIVE COURT**

**ClaimNo:**

**BETWEEN:**

**THE QUEEN  
on the application of  
LONDON BOROUGH OF TOWER HAMLETS**

**Claimant**

**-and-**

**SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT**

**Defendant**

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**GROUNDS FOR REVIEW AND  
 STATEMENT OF FACTS**

---

**Introduction and Summary**

1. The Claimant is the London Borough of Tower Hamlets (“the Council”). The Council has, since 25 October 2010, had a directly elected Mayor.
2. On 4 April 2014 the Secretary of State for Communities and Local Government (“the Defendant”) wrote to the Council to inform it that he had appointed PricewaterhouseCoopers LLP (“PWC”) to carry out an inspection of the Council under section 10 of the Local Government Act 1999 (“the Decision”). The letter referred to the Defendant having taken into account “*certain documents*” about governance at the Council he had received, and allegations made in respect of the Council in an edition of the BBC’s Panorama programme broadcast on 31 March 2014.
3. The letter did not set out the allegations and complaints which had caused the Defendant to take the Decision. Nor has the Defendant since done so. The Defendant also informed the Council that he had made four directions to PWC in relation to the scope of its investigation, but did not explain how, or the extent to which, those directions arose from the allegations to which the Defendant had had regard.

4. The Decision is unlawful and should be quashed because:
  - (1) The Defendant lacked the relevant statutory power to seek a review and recommendations from PWC when he did so, because he acted before the relevant statutory provision came into force;
  - (2) The Defendant has failed to provide any, or any adequate, reasons for the Decision; and
  - (3) On the basis of the limited information available to the Council, the Decision was irrational.
5. The application for permission should be granted. The Council's case is clearly arguable. There is no case law which considers the extent or scope of the section 10 investigation power. Following permission, the claim for judicial review should be granted, and relief in the form set out below ordered.

#### **The Investigation Regime under Section 10**

6. Section 10 of the Local Government Act 1999 ("the 1999 Act") provides:
  - “(1) The Secretary of State may appoint a person to carry out an inspection of a specified best value authority's compliance with the requirements of this Part in relation to specified functions.*
  - (2) The Secretary of State may appoint assistant inspectors for the purposes of the inspection.*
  - (3) The appointment of an assistant inspector must be made on the recommendation of the inspector, unless the Secretary of State thinks that the urgency of the inspection makes it necessary to dispense with this requirement.*
  - (4) In carrying out an inspection, the inspector and any assistant inspector must –*
    - (a) have regard to any guidance issued by the Secretary of State generally in relation to inspections, and*
    - (b) comply with any directions issued by the Secretary of State in relation to that inspection”.*
7. Section 10 was amended to take its current form by the Local Audit and Accountability Act 2014, Schedule 10, paragraph 2. This came into force on 4 April 2014 by virtue of article 2(c) of the Local Audit and Accountability Act 2014 (Commencement No. 1) Order 2014 ("the 2014 Order"). The 2014 Order was itself only made on 3 April 2014.

8. Prior to 4 April, the section 10 investigation power fell only upon the Audit Commission. Section 10 relevantly provided:

*“(A1) The Audit Commission may carry out an inspection of a best value authority's performance of its functions or of any particular function or functions.*

*(1) The Audit Commission may, in particular, 2 carry out an inspection of a best value authority's compliance with the requirements of this Part.*

*(2) If the Secretary of State directs the Commission to carry out an inspection of a specified best value authority's compliance with the requirements of this Part in relation to specified functions, the Commission shall comply with the direction.*

*(3) Before giving a direction under subsection (2) the Secretary of State shall consult the Commission.”*

9. The Council is a best value authority: section 1. This means that it must comply with the provisions of Part I of the 1999 Act, the principal duty of which is contained in section 3(1), which provides:

*“A best value authority must 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.”*

10. Once an inspector has been appointed under section 10, he has rights of access at all reasonable times to the premises of the Council and to any document *“relating to the authority which appears to him to be necessary for the purposes of the inspection”*: section 11(1)(b). The inspector may require persons to provide information or a particular document: section 11(2). The Council must provide to the inspector every facility and all information which he may reasonable require for the purposes of the inspection: section 11(3). The inspector must, however, give three clear days' notice of any requirement under the section: section 11(4). Failure to comply with a requirement of an inspector without reasonable excuse is a criminal offence: section 11(5).

11. Section 12 provides that:

*“An authority inspected under section 10 must pay the reasonable fees of the inspector for carrying out the inspection.”*

12. Having completed his inspection, the inspector must issue a report, which must mention any matter in respect of which the inspector believes the Council has failed to comply with a provision of Part I, and may recommend that the Secretary of State give a direction to the



Council: sections 13(1)-(2). The report is sent to the Council and may be published: section 13(3).

13. Section 15 applies where the Secretary of State is satisfied that the Council is failing to comply with the requirements of Part I. It entitles the Secretary of State to direct:

(a) the Council to “*carry out a review of its exercise of specified functions*”: section 15(2);

(b) a local inquiry be held: section 15(3);

(c) the Council to “*take any action which he considers necessary or expedient to secure its compliance with the requirements of this Part*”: section 15(5); and/or

(d) that a specified function be exercised by the Secretary of State or his nominee: section 15(6).

Before giving a direction the Secretary of State will give the Council the opportunity to make representations about the report and any proposed directions, except in cases of urgency: sections 15(9) and (11).

14. Section 151 of the Local Government Act 1972 requires the Council to “*make arrangements for the proper administration of their financial affairs*”.

## **The Decision**

15. The Defendant’s Decision to appoint PwC to inspect the Council was formally made in a letter of appointment to PwC dated 4 April 2014. It appointed PwC to carry out an inspection of the Council’s compliance with its best value obligations “*in relation to the authority’s functions in respect of governance, particularly the authority’s functions under section 151 of the Local Government Act 1972*” [MSG1, pp.16-17].

16. The letter stated that the Defendant had had regard to “*certain documents that the Department has received about governance*” at the Council, “*and the review of those documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether the allegations about poor governance and possible fraud have any foundation*”. The Defendant stated that he had also had regard to the BBC’s Panorama

programme of 31 March 2014 which “*made allegations about governance failures, poor financial management and possible fraud...particularly in relation to grant payments*”.

17. The Defendant then directed PWC “*in relation to their undertaking the inspection*”. Those directions were:

(1) That the matters “*to be covered initially by the inspection should in particular relate to: the authority’s payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority’s processes and practices for entering into contracts*” (“the Directed Categories”).

(2) That the relevant period was from 25 October 2010, when the Mayoral form of government commenced, to the present.

(3) That PWC was directed to report its findings by 30 June 2014, or such later date as might be agreed with the Defendant.

18. The letter to the Council of the same date set out materially the same content as the letter of appointment. It also noted that some documents had been provided to the Metropolitan Police [MSG1, pp.14-15].

19. By a further letter of 4 April 2014, PWC wrote to the Council with its “*initial information/documentation requirement*”, which sought a very wide variety of information relating to each of the Directed Categories [MSG1, pp.18-22].

20. The Defendant’s pre-action response letter of 19 June 2014 at paragraph 20 [MSG1, pp.66-67] quotes a passage from a review conducted by PWC of the documents the Defendant had which concluded that an inspection should be carried out to consider whether the allegations were well-founded. The Council has never been provided with a copy of that review, or been told its date.

21. As set out in further detail in the Witness Statement of Mr Sullivan-Gould (at paragraphs 25-34), the Interim Monitoring Officer of the Council, the Council promptly entered into correspondence with the Department concerning the basis and scope of the inspection. On 10 April 2014, Mr Halsey wrote to the Defendant to request that the Department: supply copies

of the documents the Defendant stated he had had regard to; provide specifics of the allegations which were the subject of the inspection; which allegations broadcast in the Panorama programme were taken into account; what particular events had caused the Defendant to appoint inspectors; and what documents had been provided to the Metropolitan Police. Mr Halsey confirmed that the Council had met with PWC and would co-operate with the inspection [MSG1, pp.23-24].

22. The Defendant's reply of 17 April 2014 [MSG1, pp.16-17] did not answer any of the queries raised by the Council and declined to provide the underlying material on the basis that some – namely the Panorama programme – was in the public domain and it would be a breach of confidence, and would risk impeding the inspection, as well as any future police investigation, to disclose the "*Other material*" the Department had. On the same day, the Defendant issued a press release which referred to the inspection as being "*into the probity of the controversial mayoral administration in Tower Hamlets*" [MSG1, p.31].
23. Mr Sullivan-Gould replied by letter dated 8 May 2014 objecting to the stance of the Defendant [MSG1, pp.36-38]. He noted that the Metropolitan Police had publicly announced that there was "*no credible evidence of criminality*" [MSG1, p.26]. He also noted that the Defendant had made no attempt to provide information which would not impede the inspection, even if that were a risk, or any of the material which was not confidential, or considering whether the substance of the allegations could nonetheless be provided. As set out in more detail in his Statement, Mr Sullivan-Gould also raised that the performance by PWC of its inspection appeared to be going well beyond the scope identified in the Directed Categories. In particular, PWC had requested all emails sent and received by 27 Councillors, and 47 Council officers. None of the inspected Councillors were Conservatives. All were members of the Labour Party, the Liberal Democrat Party or were Independents (as is the Mayor). Moreover, the scope of PWC's inspection was unfeasibly wide and included, for example, every Right to Buy sale and grant of a tenancy the Council had made since October 2010.
24. The Defendant's response to this letter, dated 14 May 2014 [MSG1, pp.41-43], sought to widen the scope of the inspection being carried out. It characterised the inspection as "*wide-ranging*" and covering "*any matter relating to the arrangements your Council has made and operated for its governance*" [MSG1, p.41]. The Directed Categories did not, it was said, restrict PWC. It referred to PWC having recommended the inspection. The letter then purported to give the Defendant's reasons for the Decision which were no more than a recitation of the 4 April letter, with the additional assertion that "*serious doubt*" had been cast

on the Council's compliance [MSG1, p.42]. The Defendant placed responsibility for the conduct of the inspection solely with the inspectors themselves.

25. The Council wrote a pre-action letter on 2 June 2014 [MSG1, pp.50-57]. The Defendant responded on 19 June 2014 [MSG1, pp.60-70].
26. The Council understands that PWC will not issue its report by the directed date of 30 June, and that it is now intended that a report may be produced by mid-July.

### **Lack of Power to Commence the Inspection**

27. The Defendant has stated, in both the 4 April 2014 letter to the Council [MSG1, p.14], and in its pre-action response[MSG1, pp.66-67], that a review of the documents it possessed had been carried out by PWC which recommended that an inspection take place. This documentation has not been provided to the Council. It is assumed that the process of the Defendant providing the documents containing the allegations to PWC, and PWC reviewing those allegations to recommend further investigations, was done in order to comply with the Defendant's duties in sections 10(2) and (3) in relation to the appointment of assistant inspectors.
28. However, although the initial role of PWC is not dated, it is inherently implausible that this would have taken place on 4 April 2014, being the same day that the Defendant made the Decision and appointed PWC. A BBC news report on 31 March 2014 records the Defendant stating that "*he would ask his experts to review Panorama's analysis in detail*" [MSG1, p.6].
29. PWC's review process must therefore have taken place prior to 4 April 2014.
30. However, prior to 4 April 2014, the Defendant had no vires to exercise the section 10 power at all. The section 10 power existed only in respect of the Audit Commission. Prior to 4 April, the Defendant could direct that an inspection take place, but that direction could only be made to the Audit Commission, having consulted the Audit Commission.
31. In breach of section 10 as in force before 4 April, the Defendant provided information to, and sought the recommendations of, a body which had no relevant statutory function. Prior to 4 April, the only body with whom the Defendant could lawfully seek assistance in respect of a section 10 inspection was the Audit Commission. If the Defendant was attempting to comply with sections 10(2) and (3) by seeking the recommendations of PWC, he has acted ultra vires

because at the time he so acted the relevant provisions were not in force. Indeed, until the 3 April 2014, there was not even a statutory instrument in place which was to bring the amendments into force.

32. The process adopted by the Defendant, whereby he enacted the 2014 Order to come into effect the following day, suggests a concerning desire to act under a process which gave the Defendant greater power and control, rather than the independent and expert Audit Commission role under the extant section 10. In his haste, the Defendant took steps between 31 March and 3 April 2014 he had no power to take, because they were contrary to the extant statutory scheme.
33. Accordingly, the Decision was made based upon an recommendation from PWC which was obtained ultra vires. The Decision itself was unlawful and must be quashed.

### **The Failure to Give Reasons**

34. The Defendant has unlawfully failed to provide any, or alternatively any sufficient, reasons for the Decision.
35. The Council accepts that there is no general duty to give reasons at common law. However, a duty to provide reasons has been found in various statutory contexts, where it is an aspect of the duty to act fairly: *R v Secretary of State for the Home Department, ex p Doody* [1994] AC 531, 560 *per* Lord Mustill. In the context of the onerous decision to instigate a section 10 inspection, it is important that the best value authority fairly understand why that decision has been taken.
36. Fairness requires adequate reasons to be provided for the Decision because:
  - (1) On any view, the instigation of a section 10 inspection into a body with elected officials is a very serious step. The intrusion of central government into the actions of local government is a matter which must be carefully justified. The need for justification is all the more pressing where the inspection is ordered to take place during the local government and Mayoral elections, in order to avoid any suspicion of party political bias.
  - (2) Without reasons, the Council has no way of knowing whether the Defendant has fairly set the scope of the inspection. It is difficult for the Council to challenge, or even understand

whether it can challenge, the Decision without understanding why the Defendant has set the scope of the inspection in the way that it has: *R (Savva) v Royal Borough of Kensington and Chelsea* [2010] EWCA Civ 1209; [2011] LGR 150.

- (3) It is the Council which must fund the inspection: section 12. Without reasons, it is being required to pay for something it does not understand, cannot challenge and may run into hundreds of thousands of pounds: Witness Statement of Mr Sullivan-Gould (paragraphs 31 and 36), [MSG1, pp.39-40, 45]. Correspondence from the Secretary of State sent immediately before the issue of this claim was only prepared to estimate that the costs of the inspection would be “*within £1 million*”, but without any explanation of how that sum had been reached.
- (4) It is a criminal offence to fail to comply, without reasonable excuse, with a requirement of an inspector: section 11(5). Without reasons which explain the basis and scope of the Decision, Council officials are unable to understand or seek advice on whether an inspector’s requirement was lawfully made, or whether the official has a reasonable excuse for non-compliance. The Defendant’s approach has in practice meant that on a number of occasions the Council has sought to query with PWC the breadth of a request it has made, but has been unable to advise officers with sufficient certainty that they can decline to comply: see the Witness Statement of Mr Beattie (paragraphs 28ff).
- (5) There is nothing in the statutory scheme of Part I which suggests that the provision of adequate reasons for a section 10 inspection is inconsistent with the intention of Parliament. The only aspect of the scheme which requires the giving of reasons is where the Defendant gives a section 15 direction without having given the authority the opportunity to make representations: section 15(12).
- (6) The Defendant has explained the Decision in press releases in ways which are inconsistent with the Decision itself. Without reasons for the Decision, the Council, and the public, are unable to reconcile the Defendant’s positions.
  - (a) On 17 April, the Defendant described the Decision as one which initiated “*an inspection into the probity of the controversial mayoral administration in Tower Hamlets*” [MSG1, p.31]. This is entirely different language to that used in the Decision. It is not understood whether this suggests a different test, or how, if it all, it is to be aligned with non-compliance with the Council’s best value duty.

(b) On 4 April, the Defendant issued a press release which specifically stated that PWC would “*look into evidence of the authority’s payment of grants, the transfer of property, spending decisions in relation to publicity, and other contractual processes*” [MSG1, p.10]. These are the Directed Categories. That public statement is wholly at odds with the assertion on 14 May, maintained in the pre-action response letter, that the inspection was not limited to the Directed Categories and was more “*wide-ranging*” [MSG1, p.41].

(c) In the 4 April press release the Defendant is personally quoted as saying that the inspection was to enable “*local transparency, scrutiny and accountability*” [MSG1, p.11]. The Council abides by and seeks to uphold those principles. But the Defendant’s refusal to provide reasons suggests that he is holding the Council to a standard he is not himself prepared to meet.

37. All the Defendant has been prepared to do is to assert that he has documents which contain potentially serious allegations worthy of investigation, which go to governance and therefore the section 3 best value duty. This leaves the Council unable to understand:

- (1) What the allegations are which have been made privately to the Defendant;
- (2) Which of the allegations made in the Panorama programme are relied upon;
- (3) How the allegations relate to the governance of the Council generally;
- (4) How the allegations relate to the Directed Categories; or
- (5) How the allegations relate to the Council’s best value duty.

Accordingly, in breach of the principles set out in *South Buckinghamshire DC v Porter (No.2)* [2004] UKHL 33; [2004] 1 WLR 1953 at [36] *per* Lord Brown, the reasons given do not deal with the substantial points, do not enable the Council to understand why the Decision was reached or what the conclusions were on the principal issues, and do not allow the Council to discern whether there has been any error of law.

38. The Council has never suggested that the Defendant is required to provide reasons which reveal genuinely confidential information, or would genuinely impede the inspection. It recognises there may be sensitivities in the Defendant acting in this area. In some circumstances it would be appropriate for the Defendant to disclose the documents relied upon themselves as an aspect of procedural fairness, but without even an indication of the

contents of those documents it is impossible for the Council to know whether disclosure would be appropriate.

39. Fairness requires that the Council be provided with reasons for the Decision, which provide at least the gist of the allegations which were considered to require investigation. Without this, the Council is wholly unable to know whether the scope of the inspection has been set unreasonably, or whether the conduct of the inspection by PWC is unreasonable.
40. In the present case, it is impossible to understand why the Defendant persistently refuses to explain: what of the publicly made allegations in the Panorama broadcast he has had regard to; what other material which is in the public domain he has had regard to (if any); why to disclose the material he has been sent would be a breach of confidence, or would impede the investigation; and what even the gist of the specific allegations made against the Council are. Nor has the Defendant explained why he appointed PWC by reference to the specific Directed Categories on 4 April 2014, but by 14 May 2014 was asserting to the Council that the inspection was widespread and related to any matter of governance.
41. The failure to provide reasons for the Decision, or, alternatively any adequate reasons for the Decision, means that the Decision was unlawful and should be quashed. Moreover, the failure to provide adequate reasons must lead to the conclusion that the Decision was irrational.

### **The Irrational Use of Section 10**

42. The power given the Defendant by section 10 of the 1999 Act, although wide, must be exercised rationally and for the purposes Parliament intended. Section 10 does not create a power to commence an inspection and issue directions at large; the inspection must be into the compliance of the Council with the requirements of Part I of the 1999 Act, i.e. the section 3(1) best value duty.
43. The Decision is expressly for an inspection in relation to the Council's functions "*in respect of governance*", and particularly section 151 of the 1972 Act. The Decision does not anywhere explain what aspects of Part I of 1999 Act are suspected of not having been complied with, let alone how.
44. In the pre-action response letter, the Defendant seeks to explain the position by suggesting that where there has been a failure of governance, poor financial management or incidents of fraud, "*it is almost inevitable that appropriate arrangements have not been made to secure*



*continuous improvement*”, and they are “*paradigm manifestations of an authority’s failure to comply with its best value duty*”: paragraph 13 [MSG1, p.64].

45. While the Council accepts failures of governance or poor financial management may be a breach of the section 3 duty, it is by no means inevitable that they would be. Both categories are extremely broad. Incidents of fraud will inevitably breach section 3, but as the Metropolitan Police have publicly disclaimed that the material supplied to them (but not to the Council) by the Defendant provides “*any credible evidence of criminality*” [MSG1, p.26], fraud cannot be a matter upon which the Defendant can continue to rely. Yet, the inspectors themselves appear to have been proceeding on the basis that it was fraud they were looking for: Witness Statement of Mr Beattie (paragraphs 33-35).
46. The Defendant has failed to explain how a general inspection in respect of governance is for the only permitted purpose of investigating compliance with Part I of the 1999 Act. In the absence of such an explanation, the conclusion the Court must draw is that there is no rational connection made by the Defendant, and the use of section 10 should be quashed.
47. Furthermore, in the absence of any reasons or explanation on the part of the Defendant, it is impossible to understand whether or not the Defendant has rationally based his Decision upon the material before him, or whether the scope of the Decision irrationally extends beyond that material. The Court cannot be satisfied that the Defendant has rationally set the scope of the inspection.
48. For example, if none of the material taken into account by the Defendant raised allegations concerning “*the transfer of property by the authority to third parties*”, then including it as a Directed Category would be irrational.
49. The failure of the Defendant to explain the scope of the inspection, or to rationally set that scope, has led to PWC seeking information with little apparent rational connection to the Directed Categories or the purpose of the inspection more generally. In particular, the bulk request for emails sent and received by Councillors over a 4 year period, which targets councillors on an apparent party political basis is of considerable concern. Alongside the rushed enactment of the 2014 Order, and the Decision to proceed with such a sensitive inspection across an election period, neither the Council nor the Court can be confident that the Defendant did not take into account illegitimate and irrelevant party political considerations in reaching his Decision.

50. In the circumstances, the Court cannot be satisfied that the Defendant has rationally exercised his power to order an inspection of the Council, because:

- (1) There is no information as to how it is said that the Council may have breached its best value obligations under Part I of the 1999 Act;
- (2) There is no information as to whether the inspection into governance generally set a rational scope for the inspection;
- (3) There is no information as to whether the Directed Categories set a rational scope for the inspection;
- (4) There is cause for concern as to whether the Defendant has regard to irrelevant party political considerations; and
- (5) There is no information as to whether the scope of the inspection permits PWC to conduct its investigation in the manner that it has.

51. The Claimant reserves the right to amend or add to these Grounds in the light of any further information it receives from the Defendant.

### **Promptness**

52. In his pre-action response letter, the Defendant suggested that the Council had not acted promptly. As the detailed recitation of correspondence between the parties shows, the Council has repeatedly (10 April, 8 May, 2 June 2014) sought to obtain further information and reasons from the Defendant in relation to the Decision. The ability of the Council to commence legal action on such a sensitive matter was also curtailed by the local government and Mayoral elections on 22 May 2014.

53. Having been unable to do so, even following the pre-action protocol, the Council duly filed this claim within the three month time period. The Council acted promptly in pursuing its complaint, and then its claim, in all the circumstances. In any event, there is no prejudice to the Defendant.

**Relief**

54. The Council seeks:

- (1) An order quashing the Decision as unlawfully commenced prior to the enactment of section 10; or
- (2) An order quashing the Decision for failure to provide any or any adequate reasons; or
- (3) An order quashing the Decision as irrational; and
- (4) An order mandating the Defendant to indemnify the Council in respect of any inspection fees charged to it under section 12.

**JONATHAN SWIFT QC  
CHRISTOPHER KNIGHT**

**11KBW**

1 July 2014

**Claimant – London Borough of Tower Hamlets**

**Witness Statement of Michael David Sullivan-Gould**

**Made: 1 July 2014**

**IN THE HIGH COURT OF JUSTICE**  
**QUEEN'S BENCH DIVISION**  
**ADMINISTRATIVE COURT**

**B E T W E E N:**

**THE MAYOR AND THE BURGESSES OF  
THE LONDON BOROUGH OF TOWER HAMLETS**

**Claimant**

**- and -**

**SECRETARY OF STATE  
FOR COMMUNITIES AND LOCAL GOVERNMENT**

**Defendant**

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**WITNESS STATEMENT OF MICHAEL DAVID SULLIVAN-GOULD**

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I, **MICHAEL DAVID SULLIVAN-GOULD**, of the London Borough of Tower Hamlets, Mulberry Place, 5 Clove Crescent, London, E14 2BG, WILL SAY AS FOLLOWS:-

1. I make this witness statement based on my personal knowledge, discussions with colleagues, information that I have gathered from Council records and my own professional experience and expertise. I was in continuous local government service between 1979 and 2007 and I qualified as a solicitor after training at Leicester City Council. I

have had increasingly senior roles with Devon County Council, Winchester City Council, Basingstoke & Deane Borough Council and the London Borough of Hackney. I have been involved with advising upon and undertaking the statutory Monitoring Officer role since it was created by section 5 of the Local Government, Housing and Planning Act 1989. In 2007 I was the National President of the Association of Council Secretaries and Solicitors. Since 2007 I have undertaken assignments with various local authorities and I have been an Independent Member of the Standards Committee of the New Forest National Park Authority. I re-entered local government service on 20 January 2014 when I joined the London Borough of Tower Hamlets as its Interim Monitoring Officer.

2. I make this statement in support of the application of the London Borough of Tower Hamlets ("the Council") for judicial review of the decision of the Secretary of State for Communities and Local Government ("the Secretary of State") to undertake an inspection of the Council under section 10 of the Local Government Act 1999 ("the 1999 Act"), as amended by the Local Audit and Accountability Act 2014. This decision was taken on, and communicated to the Council on, 4 April 2014 ("the Decision").
3. Copies of the key documents and correspondence to which I refer throughout my statement are to be found in exhibit "MSG1". Numbers in [brackets] are references to the paginated documents in "MSG1".

## Introduction

4. These proceedings are being commenced because the decision of the Secretary of State risks undermining public trust and confidence in the Council, whilst creating a large financial liability for the Council which is entirely outside of the Council's control and for which there is no budget. While I, and the Council, accept and understand that the power of inspection contained in section 10 of the 1999 Act is an important

one for the Secretary of State to possess, the considerable potential impact it can have on a local authority means that its exercise must be of utmost care.

5. In this case, the Secretary of State has failed to explain the reasons why the Decision has been taken in such a way as to allow the Council to understand how the Decision has been reached. As a result, the Council, and its local residents, are unable to know whether the Decision is a reasonable and proportionate response to expressions of concern about the governance of the Council.
6. As a consequence, it is my view that the Secretary of State has acted unlawfully in failing to provide reasons, or adequate reasons, for his Decision. Without those reasons, neither I nor the Council can be confident that the Decision was a rational one.
7. The inspectors, Pricewaterhouse Coopers LLP ("PwC"), have deployed up to 24 forensic accountants at the Council. They have spent almost three months studying the Council's records and interviewing staff and been provided with over one million pages of data, at their request. The legislation provides that it is the Council that must bear the reasonable costs of such inspections. The witness statement of my colleague, Robin Beattie, provides evidence of the scale of the inspection that has been undertaken. The correspondence between the Council's Director of Resources and the response on behalf of the Secretary of State [39-40 & 45] indicates that PwC are under no constraint as to the amount of fees they may seek from the Council under section 12 of the 1999 Act.

### **Allegations against the Council**

8. It is a matter of considerable concern that during my time as Interim Monitoring Officer, the Council and the Mayor have been the subject of

a number of allegations of malpractice or misfeasance. So far as I have been able to determine, these allegations have been baseless.

9. I became aware of allegations of malpractice at the Council when I read a Sunday Telegraph article (published on 19 January 2014), headlined: 'Borough of Tower Hamlets – a byword for sleaze' [1-4]. As the incoming Monitoring Officer for the Council on the following day, I considered that I needed to examine the allegations that had been published and to establish whether I was under a personal statutory obligation to make a report, under section 5 and/or 5A of the 1989 Act, that it appeared that there had been unlawful behaviour or maladministration causing injustice.
10. I found that the allegations were not new and that they had been previously investigated within the Council and found to be baseless. I reviewed the investigation documentation and held discussions with the members of the Council's staff that had been involved in the various matters and concluded that the allegations were not substantiated and required no action.
11. On joining the Council, I became aware that the BBC Panorama programme had commissioned a film from the well-known investigative journalist, John Ware, into mayoral governance in English local government. He was interested in how that system worked in Tower Hamlets where there had been a referendum in May 2010 which approved a change to the directly elected Mayor form of governance, as permitted by the Local Government Act 2000. The Council's first directly elected Mayor, Lutfur Rahman, was elected in October 2010. The Council had been providing information to Mr Ware to assist in his investigation.
12. However, in February 2014, the Council received a dossier of material from a researcher who had been employed by Mr Ware's organisation which indicated that the proposed programme was not, as had been

previously understood, an examination of how mayoral government was working in English local government but rather was solely focussed on the conduct and character of the elected Mayor of Tower Hamlets. Mr Ware confirmed that it was intended that the programme should be broadcast before the Mayoral election to be held on 22 May 2014 when the Mayor was submitting himself for re-election. There was a concern that the programme should be both factual and fair and that the BBC should be held to its charter obligations not to show political partiality in the run-up to an election.

13. Considerable effort was made to provide Mr Ware with Council records about decisions that he was investigating and to answer various questions that he had so that he could make a fair programme. There was corresponding effort with the BBC to ensure that they were aware of the Council's understanding of their charter obligations and of the provisions of the Representation of the People Act 1983 which govern comment upon the character or conduct of a candidate for election.

### **The Involvement of the Secretary of State**

14. On 31 March 2014, BBC London News published an article by Mr Ware which indicated what the Panorama programme about Tower Hamlets was going to include when it was broadcast that evening. Mr Ware's article [5-7] indicated that material had been given to the Department for Communities and Local Government ("the Department") and that the Secretary of State was going to consider investigating the matters raised with him.

15. From previous involvements on behalf of local government lawyers with the Government I was aware that such matters would come within the scope of Paul Rowsell, the Deputy Director – Democracy at the Department and I wrote to him by email [8-9] offering co-operation. I have had no response from Mr Rowsell to that offer.



16. I should say that at the time of writing to Mr Rowsell, I was contemplating that the Secretary of State would be considering either an informal enquiry as part of the usual liaison arrangements between Councils and the Department or some statutory engagement using one of the following statutory routes:

- a. Ordering a local inquiry under section 250 Local Government Act 1972;
- b. Making a referral to the Local Government Ombudsman under the Local Government Act 1974;
- c. Directing a Best Value Audit by the Audit Commission under section 10(2) of the Local Government Act 1999 (after consulting the Commission, as required by section 10(3) in accordance with statutory guidance); or
- d. By requiring the Audit Commission to direct an extraordinary audit of the Council under section 25 of the Audit Commission Act 1998, having given the Council three days' notice, as required by statute.

17. I did not anticipate that the Secretary of State would on 3 April 2014 take powers to implement certain provisions of the Local Audit and Accountability Act 2014 including section 34 and Schedule 10 of that Act with effect from the following day by enacting the Local Audit and Accountability Act 2014 (Commencement No 1) Order 2014. The 2014 Order repealed and replaced section 10 of the 1999 Act, removing the role of the Audit Commission, and permitting the Secretary of State to appoint inspectors of his choosing. This meant that he could, on 4 April 2014, formally make the Decision to which this claim is directed.

## **The Decision**

18. On 4 April 2014, the Council, by its Head of Paid Service, received a letter of the same date from the Permanent Secretary of the Department for Communities and Local Government [14-15] explaining that the Secretary of State had appointed PwC to carry out an

inspection under section 10 of the 1999 Act. That letter enclosed an appointment letter addressed to Will Kenyon of PwC [16-17] and was accompanied by a letter to the Council from that firm [18-22]. It is the letter to Mr Kenyon of PwC which forms the Decision of the Secretary of State, although the letter to the Council is very similar terms.

19. The only reasoning provided by the Secretary of State in his correspondence of 4 April is that he had had regard to "*certain documents that the Department has received about governance in Tower Hamlets*", and a review of those documents by PwC, and the BBC Panorama programme of 31 March 2014. No explanation is provided as to what those "*certain documents*" contained, let alone the documents themselves. No information was provided about the review conducted by PwC at all. I assume that given the Decision was taken on 4 April 2014, the review of PwC must have been on an earlier day. (Indeed, the BBC story on 31 March suggests that the Secretary of State had or was intending to ask PwC to review the material passed to him by 31 March [6].) Nor does the Secretary of State specify which of the allegations made in the Panorama programme he had regard to.

20. Accordingly, when the Decision says that an inspection has been ordered into the Council's "*functions in respect of governance*" to inspect the "*compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act*", I find it very difficult to see that as anything other than an assertion on the part of the Secretary of State.

21. Contained within the Decision were directions made to PwC:

(a) That the matters "*to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for entering into contracts*".

(b) That the relevant period was from 25 October 2010, when the Mayoral form of government commenced, to the present.

(c) That PWC was directed to report its findings by 30 June 2014, or such later date as might be agreed with the Defendant.

22. Along with the Decision, the Secretary of State issued a press release [10-13]. That press release included the comment in the 4 April letter to the Council that the Secretary of State had passed "*certain material*" to the Metropolitan Police for consideration. No indication was provided as to what this material was, or what allegations were contained within it. The Metropolitan Police later issued a statement on 16 April 2014 that: "*There is no credible evidence of criminality within the files to provide reasonable grounds to suspect that fraud or any other offence has been committed at this stage.*" [25-27]

23. The commencement of a section 10 inspection was a matter of very considerable concern to the Council. It expressly, and publicly, called into question the compliance of the Council, but in a manner which gave us no understanding of precisely what concerns had led the Secretary of State to act. In addition, the inspection would take place during the Mayoral election, which inevitably gives rise to concern in some quarters about the political neutrality of the Decision.

24. Accompanying the Decision was a letter from Mr Kenyon to the Head of Paid Service, which attached the "*initial information/documentation requirement to assist the early stages of our Inspection. We also attach a document and data preservation notice*" [18-22]. That 'initial' requirement was extremely broad. It sought, for example, a complete list of all contracts let by the Council over the value of £10,000, including the date, the value of the goods/services, the counterparty details, the value and all documentation of policies and procedures relating to tenders for such contracts. The Council has no choice but to

comply. Failure to comply with a requirement of an inspector, without reasonable excuse, is a criminal offence.

### **Subsequent Correspondence**

25. Ever since the Decision, and the commencement of the inspection by PwC, the senior officers of the Council have been in contact with the officials of the Secretary of State in an attempt to better understand what led to the inspection, and what the scope of the inspection is.

26. The Council's Head of Paid Service wrote to the Permanent Secretary on 10 April 2014 [23-24]. He noted that he had met with PwC on 4 April and intended to co-operate with them, but sought clarification from the Secretary of State. He requested that the Secretary of State: supply copies of the documents the Defendant stated he had had regard to; provide specifics of the allegations which were the subject of the inspection; which allegations broadcast in the Panorama programme were taken into account; what particular events had caused the Defendant to appoint inspectors; and what documents had been provided to the Metropolitan Police.

27. A response was received on 17 April [28-29]. In my view, it did not answer any of the queries raised by the Council. The response declined to provide the underlying material on the basis that some was in the public domain, and that to disclose some would be a breach of confidence, and would risk impeding the inspection, as well as any future police investigation, to disclose the "*other material*" the Department had. This did not prevent a further press release being issued by the Department [30-35] on the same day which referred to the inspection as being "*into the probity of the controversial mayoral administration in Tower Hamlets*" [31]. This is not wording I am aware of having been used to the Council's requests for an explanation of the Decision and I do not understand why it was used in a press release but not in official correspondence.

28. On 8 May 2014, I wrote to the Permanent Secretary [36-38] at some length taking issue with the approach which the Secretary of State had adopted in response to the Council's attempt to understand the basis of the inspection. In addition, I raised a number of very concerning aspects of the scope of PwC's inspection, which is outlined in more detail in the statement of Mr Beattie. I received a response from Mr Rowsell on 14 May 2014 [41-44].
29. Mr Rowsell's letter in reply was the cause of considerable concern to me. Up to this point, the Council had understood that the scope of the Decision was focussed around the particular areas which the Secretary of State had directed the inspectors to consider. Indeed, that was what the Department's press release had said on 4 April [10]. Mr Rowsell insisted that the inspection was in fact more "*wide-ranging*" and covered "*any matter relating to the arrangements your Council has made and operated for its governance*" [41]. In the local government context, more or less everything which is done can be said to relate to governance in one way or another. Mr Rowsell now seemed to be saying that the inspectors had *carte blanche* to consider whatever they wished, regardless of the specific allegations which led to the Decision in the first place.
30. Mr Rowsell accepted that the Decision needed to be "*reasonable and proportionate*", but suggested that this would be met wherever "*significant allegations have been raised*" [42]. Of course for the Council, and myself, this begs the question what those allegations are, and how they are 'significant'. The letter then went on to summarise the "*reasons*" for exercising the section 10 power. But those seemed to me to be little more than reasoning by assertion: having received unspecified allegations of unspecified wrongdoing the Secretary of State believes an inspection is necessary, although that inspection is of unspecified scope. Mr Rowsell, finally, disclaimed any responsibility for how the inspectors carried out their inspection.

31. At this time my colleague, the Corporate Director of Resources, Chris Holme, wrote to the Department on 12 May 2014 expressing concern about the financial liability that the audit involved [39-40]. He pointed out that under the previous statutory scheme, the Audit Commission published a fee scale by which local authorities could begin to estimate their likely liability for inspection costs. The abolition of the Audit Commission's section 10 role meant that there were no such guidelines into the charges of private sector inspectors. All section 12 provides is that the Council is liable for PwC's "*reasonable fees*". Mr Holme had worked out that the fees of the Audit Commission for the same inspection would have been between £60,000-£100,000, but feared that PwC might be ten times that. Mr Rowsell responded on 28 May 2014 [45], providing no assistance as to how the Council might estimate the fees, other than that they would be calculated by reference to a call-off framework agreement PwC had entered into with the Secretary of State. The Council does not have this document and Mr Rowsell did not provide it.

32. On 29 May 2014, John Ware published a blog on the 'Trial by Jeory' website [46-48] which, although still critical of the Mayor, stated that Panorama had made no accusations of criminality against the Mayor or the Council [47]. On 10 June 2014 I sent a notification of that statement to Mr Rowsell as it appeared to contradict what had been previously said by the Secretary of State in his 4 April [58-59]. I have received no response.

33. I am aware that on 2 June 2014 the Mayor wrote to the Secretary of State directly to invite him to visit the Borough following his re-election [49]. He stated that he welcomed the inspection, which was being offered every assistance by the Council (as indeed it was, and is). However, the Mayor also asked to meet the Secretary of State to discuss the evidence justifying an inspection at all, the extent to which the conduct of the inspection remained within the powers of the inspectors, and the likely cost of the inspection to local taxpayers in the

context of very significant funding cuts to local government. The Secretary of State has not yet responded.

34. Following the conclusion of the Mayoral and local elections on 22 May 2014, the Council's solicitor sent a Pre-Action Protocol letter to the Secretary of State on 2 June 2014 [50-57]. Mr Rowsell responded to the Pre-Action Protocol on behalf of the Secretary of State on 19 June 2014 [60-70]. The Secretary of State denied any obligation to provide reasons or documents, and declined to do so.

### **The Failure to Provide Reasons**

35. By his Decision, the Secretary of State has launched a substantial and wide ranging inspection into the governance of the Council over a period of some three and a half years since an elected Mayor came into office in the Borough. There is no doubt in my mind that the commencement of the inspection by PwC – accompanied by the Secretary of State's repeated press releases relating to his Decision – has the effect of reducing the standing and reputation of the Council and the hard work of its Members, Mayor and officers. As I have set out above, the Council has faced allegations of wrongdoing in the recent past, but the current inspection is of considerably greater significance in the sense that it is the Secretary of State himself who is apparently of the view that there may have been wrongdoing.

36. In more practical terms, given the scale of the exercise the fees which PwC will charge to the Council are likely to be a substantial unexpected cost. As the Mayor pointed out on 2 June 2014, this additional burden on the budget is in the context of a requirement by the Secretary of State to find savings of over £100m over the next three years. Without any understanding of what allegations the inspection relates to, I am unable to challenge PwC about whether their fees have been reasonably incurred, or whether the inspection has been excessive given its scope.

37. Furthermore, as Mr Beattie also explains, the ever-broadening requests for information by PwC have led to concern by Council officers about the circumstances in which a requirement to provide information can be refused. Without having any understanding of what PwC are inspecting for, I and my colleagues in the legal department are unable to provide clear advice on the appropriateness of PwC's requests. Our discussions with PwC in attempts to understand the legal basis of their requests have not resulted in any sort of detailed explanation, as Mr Beattie has set out in detail. As a failure to comply with a request without a reasonable excuse is a criminal offence, this has inevitably led to requests being complied with, even where we have serious doubts about how they can properly arise.

38. The Secretary of State has, in his 4 April and 14 May letters, relied principally on a general allegation that the Council has suffered failures of governance. He has never explained what is meant by this, and I am not readily able to guess. In the context of local government, 'governance' can encompass in one respect or another more or less everything that the Council does. Every decision it takes has 'governance' issues. The Council has a constitution that has been evaluated by a Local Government Association Governance Review as being fit for purpose. Despite this, I do not know what particular allegation(s) of failures of governance have been put to the Secretary of State, or even their general gist. I do not know if they are based solely on the allegations broadcast by Panorama (and which of them), or other allegations.

39. Still less has the Secretary of State explained to the Council how the allegation(s) of governance failures relate to the Council's best value duty under section 3 of the 1999 Act. My understanding is that the section 10 inspection power only relates to failings in respect of Part I of the 1999 Act, which in reality means the section 3 best value duty. Neither I nor anyone else at the Council is able to know whether the allegations can reasonably be said to relate to the Council's best value



duty. Presumably the Secretary of State could explain this, but he has chosen not to do so.

40. His 4 April letter also referred in generalised terms to allegations of "*poor financial management*" having been made (particularly in the Panorama programme). Again, I do not know what these allegations consist of, or what evidence has been provided to the Secretary of State to mean an inspection is required. The Council has, in accordance with legislation, produced annual accounts for the years 2010/11, 2011/12 and 2012/13 which have not been doubted by the Council's external auditors, KPMG. We are in the process of producing what are expected to be similarly satisfactory accounts for the year 2013/14 just ended.

41. The 4 April letter also made reference to allegations of "*possible fraud*" and referred to material being passed to the police. It is completely unclear what allegation(s) of fraud the Secretary of State was relying on, or whether he still relies on it. As I have set out, John Ware of Panorama has published a statement to the effect that neither he nor Panorama had alleged criminal behaviour [47] and the Metropolitan Police have stated that the file submitted to them "*contained no credible evidence of criminality*" [26]. Presumably in the circumstances it could cause no possible impediment to any police or PwC investigation for the Council to be told, at the least the gist, of what the allegations of fraud related to.

42. The Secretary of State's reluctance to provide the Council with reasons for his Decision is all the more surprising given his Department's 17 April press release that the inspection was into "*the probity of the controversial mayoral administration*" in the Borough [31]. I do not understand whether this is something different to the Council's best value duty, or to the other generalised heads of allegation, or why the Secretary of State felt it appropriate to present the inspection in terms not used in any correspondence with the Council. I find it very difficult

to assess the reasonableness of the Decision in the light of the varying statements made on behalf of the Secretary of State. It appears to me that the Secretary of State is content to provide (different) reasons to the media than the inadequate ones provided to the Council itself. I note that in his first press release on 4 April, the Secretary of State is quoted as saying that "*localism requires local transparency, scrutiny and accountability*" [11]. I regret that the Secretary of State does not appear to be applying the same standards to his own decision-making.

43. An alternative for the Secretary of State, which we offered him in correspondence, would be to provide the Council with copies of documents he took into account when making the Decision. I of course accept, as the Council has always accepted, that some of the material may be confidential. I can entirely understand, for example, why the Secretary of State might wish to redact the name(s) of any complaint(s). But I do not understand why the Council is not entitled to know even the gist of the substance of the allegations against it, particularly where the allegations are apparently so serious as to merit a section 10 inspection of such length and breadth.

### **The Lack of a Reasonable Basis**

44. It follows that the Council is unable to understand or establish whether the Secretary of State has exercised his powers rationally and proportionately, or for a legitimate purpose.

### **Conclusion**

45. The Council's complaint is that the inspection has taken place on an unreasoned basis, and consequently gives rise to concern that it has been much more wide-ranging, and therefore expensive, than it needed to be. PwC have sought and been given access to every individual payment that has been made by the Council over a period of more than three and a half years (whether or not such payments were

related to the areas of focus that the Secretary of State originally directed). They include transactions relating to, for example, education; social care; children and vulnerable adults; the Council's regulatory functions (principally planning and licensing); waste collection, street cleaning, parks and leisure activities; as well as youth service and community safety responsibilities. PwC requested complete access to the records of the email accounts of a selected list of elected politicians (none of whom were Conservative Members) and 47 of the Council's senior officers. No best value-related justification for these wide-ranging requests has been provided.

46. In the circumstances, I am concerned that the section 10 inspection may be being used not in a way which is rationally connected to the (unknown) allegations which prompted it, but as a generalised 'fishing expedition', which the Council is required to pay for.

I make this statement believing its contents to be true to the best of my knowledge and belief

Signed:  .....

Name: Meic Sullivan-Gould

Date: 1st July 2014 .....

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EXHIBIT "MSG1"

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London Borough of Tower Hamlets  
Legal Department  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

**EXHIBIT "MSG1"**

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EXHIBIT "MSG1"



## Borough of Tower Hamlets: a byword for sleaze

### Muslim mayor Lutfur Rahman in line of fire over public grants in Tower Hamlets, East London

In 2012, Mr Rahman changed Tower Hamlets' procedures to ensure that he personally decided all council grants over £1,000, with the help of his "adviser to the third sector"

By Andrew Gilligan

9:03PM GMT 18 Jan 2014

The Old Poplar Town Hall, in East London, has a secure place in British political history. It was here, in 1921, that radical Labour councillors, led by George Lansbury, began a rebellion against "unfair" rates that resulted in them being sent to prison, and triggered reform of a system that discriminated against poor areas such as Poplar.

Almost a century later, Poplar Town Hall, now absorbed into the borough of Tower Hamlets, is making history of a different kind. It has become part of the spoils in a rather more sinister redistribution of wealth by Britain's most disturbing local authority. In behaviour described by one councillor as "out of control" and smacks of the days of Shirley Porter, a directly elected mayor with close links to Islamic extremism appears to be abusing public money and council assets to reward his supporters and, in the words of the local MP, Jim Fitzpatrick, to "buy his re-election this May".

"It is going on under our noses in the heart of the capital city and no one is doing a thing about it," says Peter Golds, the leader of the opposition in Tower Hamlets. "The authorities — the Government, the Electoral Commission — seem paralysed. This is a test for us all about whether democracy can be bought."

In 2010, after investigations by The Sunday Telegraph, the then Tower Hamlets council leader, Lutfur Rahman, was replaced, deselected and later expelled by the Labour Party because of his close links to an extremist Muslim group, the Islamic Forum of Europe (IFE), based at the radical East London Mosque.

But, thanks in part to another campaign by the IFE, Tower Hamlets changed later that year from a conventional council leader to an all-powerful directly elected mayoralty. Mr Rahman stood as an independent, winning on a tiny turnout with the help, as his own campaign coordinator later admitted, of a mass mobilisation by IFE activists. This year's poll, however,

coincides with the local elections, turnout will be higher and voting probably tighter — so Mr Rahman and his friends appear to be pulling out all the stops.

Poplar Town Hall is a case in point. A large and attractive Victorian listed building, a stone's throw from Canary Wharf and steps from a future Crossrail station, it is worth millions. But The Sunday Telegraph has learnt that in 2011 the council sold it for £875,000, little more than what a three-bedroom Victorian house in the neighbourhood would cost. Poplar Town Hall, though, is big enough for its new owners to be converting it to a 25-bedroom hotel.

Once they'd bought the place, the would-be hoteliers had a second stroke of luck. Approval for any conversion of a listed building, especially one with all the transport and noise issues of a hotel, must normally be decided in public by elected councillors on the planning committee. Extraordinarily, the new owners of Poplar Town Hall got their planning permission in private, without any planning committee hearing, under "delegated authority" from one of Mr Rahman's officers.

So who are the new owners of Poplar Town Hall? It was sold to a company called Dreamstar, one of whose key shareholders, Mujibul Islam, is chief executive of Medialink, the registered owner of Mr Rahman's election campaign website, lutfurformayor.com. Another main shareholder, Alfaz Kabiri, is director of a "regeneration" company based in the East London Mosque offices of the IFE.

Mr Islam admitted last night that he had "had an affiliation" with Mr Rahman and had "helped" him during the 2010 election, but insisted that they were not close and that, if anything, he now regretted the association. Poplar Town Hall "was openly tendered for anyone to buy and we just tendered [for it] as everyone else did," Mr Islam said.

He said he did not know whether his company's was the highest bid. The council refused to respond to questions about the deal put to it by The Sunday Telegraph.

Under Dreamstar's ownership, Poplar Town Hall has also housed an organisation called Barbican College, which is closely linked to another key Rahman ally, the London-based Bengali television channel, Channel S — popular with Mr Rahman's Bangladeshi voter base. Barbican College, under another name, was previously based in Channel S's Walthamstow offices and the two have shared key staff, including a spokesman.

Last year the broadcasting regulator, Ofcom, censured Channel S after Mr Rahman paid it thousands of pounds of taxpayers' money to run up to 15 adverts a day promoting his policies. Political advertising is banned on television.

It was at least the ninth time Channel S has been censured by Ofcom or the advertising watchdog, the ASA. Mr Rahman has given, or is proposing to give, Channel S at least £17,000 from council funds to stage events. He pays a further £1,050 a week of public money to Channel S's chief reporter, Mohammed Jubair, employing him as a part-time "community relations adviser" even as Mr Jubair continues to report for Channel S. The council refused to answer questions about its relationship with Channel S.

Mr Rahman employs at public expense another "community liaison officer", Shazid Miah, whose job, leaked minutes from May 2012 show, is to "lead" Mr Rahman's re-election campaign. Vast sums are also spent on official propaganda, with a weekly council newspaper delivered to all households, posters of Mr Rahman across the borough and residents bombarded, again at public expense, with thousands of personalised letters from Mr Rahman boasting of his achievements. A man who circulated a smear leaflet falsely accusing Mr Rahman's main opponent of wife-beating was then given a council grant.

In 2012, Mr Rahman changed Tower Hamlets' procedures to ensure that he personally decided all council grants over £1,000, with the help of his "adviser to the third sector", Maium Miah. And it is these grants that are causing the most serious concern.

In the words of councillors on Tower Hamlets' cross-party scrutiny committee, "new, untested organisations with no track record of delivering for the community" suddenly sprang up, paid substantial sums for sometimes ill-defined projects. One organisation that has received tens of thousands of pounds to run a "lunch club" for Bengali pensioners and a "mother tongue" school for 72 Bangladeshi children apparently conducts these activities from a two-bedroomed council flat.

Many of the groups, it turns out, have close links to Mr Rahman and his political allies. The Island Bengali Welfare Association, based in another former council flat on the Isle of Dogs, has received no less than £91,000. Its ex-chair is Maium Miah, the Rahman ally who helps decide the grants.

IFE-controlled groups have fared best, gaining hundreds of thousands of pounds. More than 60 per cent of the grants under the "community faith buildings" scheme have gone to Muslim organisations, though Tower Hamlets is only 34 per cent Muslim. Even in many non-religious activities, the majority of grants for lunch clubs, children's services, study support, language classes, youth services and lifelong learning have been channelled to Muslim groups, often at the expense of established organisations serving the whole community.

Thousands of pounds are also to be paid to Rahman allies to organise events and parties in the run-up to the election.

As councillors at the scrutiny hearing said, this spending was “not benefiting the borough as a whole” but “being directed to certain areas where the mayor had the majority of his voter base”. The council refused to answer questions from The Sunday Telegraph about the grants, merely saying that it had “followed the relevant laws, guidance and policies”.

But, responding to the scrutiny committee, Mr Rahman was defiant. “Although [council] officers may [have] come to the view that an application is poor and/or that it should not receive funding, there are from time to time cases where projects are worth supporting in view of the perceived potential community benefits,” he said.

Mr Golds said: “I think we know what the perceived community benefits in these cases are: the re-election of Lutfur Rahman. This council is out of control and its behaviour smacks of the days of Dame Shirley Porter.”

John Biggs, Mr Rahman’s Labour opponent for the mayoralty, said: “It looks as if Lutfur Rahman is trying to use taxpayers’ money to buy votes.”

Dame Shirley, the gerrymanderer of the Westminster “homes for votes” scandal in the late Eighties and early Nineties, was eventually disqualified, humiliated and forced into exile – but don’t expect anything to happen to Lutfur Rahman any time soon.

Terrified of being accused of racism, the authorities appear content to let Tower Hamlets stew in its own juice.

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**BBC NEWS****LONDON**

31 March 2014 Last updated at 00:14

## London borough of Tower Hamlets could face inspection

By John Ware  
Reporter, BBC Panorama

Communities Secretary Eric Pickles has said he may send in inspectors to investigate a London borough.

Panorama has found that Lutfur Rahman, the Bangladeshi mayor of Tower Hamlets, has more than doubled funding recommended by officers for Bengali-run charities.

Opposition councillors say they believe the grants were made in return for electoral support.

Mr Rahman categorically denies the accusation.

In 2010, residents of Tower Hamlets voted in Britain's first directly elected Asian mayor.

Mr Rahman won as an independent with only 13% of registered voters.

Almost two-thirds of those who turned out to vote that day were from his own Bangladeshi community.

To win re-election in May, the mayor is expected to need a high Bangladeshi turnout again.

As a directly-elected mayor, he has executive power over the allocation of some grants to local bodies. Council officers made recommendations to the mayor based on the neediest in the borough.

Labour and Conservative opposition councillors allege that his selection of charities for grant funding in the run-up to the election was motivated by electoral advantage.

"I am pretty sure there is some quid pro quo in some of those grants decisions being made," said Labour councillor, Joshua Peck.

"Part of that is about supporting the mayor politically on the ground in the run-up to the election.

"He doesn't have a political machine and he needs organisations... making sure the electorate turns out to vote for him."

The mayor strongly denies this but if his selection of which groups to fund was based on who he thought would get him votes, that would be unlawful.

Panorama has gained access to confidential paperwork that reveals the extent to which the mayor rejected recommendations from council officers.

They had proposed that Bengali and Somali groups receive £1.5m. But a review by Panorama of 362 grants approved by the mayor found that he increased funding to these organisations by nearly two-and-a-half times - to £3.6m.

To pay for it he used funds from the council's reserves and reduced what was left for other organisations by 25% overall.

The mayor categorically denied his allocation of grants was motivated by electoral advantage.

"It's absolutely untrue", he said. "My principle has all along been that we will distribute the money to as many organisations as possible... because they benefit the community."

In exchange for more personal power, directly elected mayors are expected to present themselves for questioning.

The mayor said he upholds the "highest standards of probity and transparency" and that the decisions have an "adequate audit trail".

But Mr Rahman declined to answer opposition questions in council meetings about his award of grants or answer questions from the special council forum that is meant to hold him to account, the Overview and Scrutiny (O&S) committee, for more than a year.

The confidential council papers provide only the barest explanation for the hundreds of changes made by the mayor to officer recommendations.

The changes were described as being based on "local knowledge" and because it was "known where money needs to be redistributed".

Mr Rahman said the grants decisions were properly scrutinised.

"Three grants panels, four cabinet meetings, two O&S meetings [were attended] about the grants - a vigorous process - after which I made the final decision," he said.

"My executive members attended [two overview and scrutiny committees and] answered each and every question and gave a proper answer."

Since he became mayor, Mr Rahman has changed the grants process from one held mostly in public to one which now takes place mostly behind closed doors.

Rob Whiteman, chief executive of the Chartered Institute of Public Finance and Accountancy, told Panorama: "It's very important that the process isn't behind closed doors.

"When it is, it calls into question whether or not that process is being properly followed and whether or not the decisions are being soundly made.

"Up and down the land you will see councils very keen to ensure that their decision making in this regard, in these areas, is very much in public."

Panorama took the findings to the Secretary of State for Communities and Local Government, Eric Pickles.

"Panorama has unearthed some very serious allegations that demand an answer," he said. "I think the allegations or questions that Panorama raise are of a completely different magnitude to worries and concerns that I have with other councils."

He said he would ask his experts to review Panorama's analysis in detail and added: "If I feel the allegations that you made are substantial and serious, I will actively consider intervening.

"I have powers to put in an inspector to look at the way that the council's been run."

**Panorama: The Mayor and Our Money, BBC One, Monday 31 March at 20:30 GMT and then available in the UK on the [BBC iPlayer](#)**

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From: Meic Sullivan-Gould  
Sent: 31 March 2014 15:29  
To: 'paul.rowsell@communities.gsi.gov.uk'  
Subject: Prospective Inspection at LB Tower Hamlets

Hello Paul

You may not have noticed my recent return to London but I've been drafted in to Tower Hamlets to help with the elections and then set up the constitution for the new Council. Regrettably however I have had to spend a lot of time initially dealing with the poorly researched and misleading Sunday Telegraph article by Andrew Gilligan under the headline "Borough of Tower Hamlets: a byword for sleaze" that appeared on the day before I joined the Council and which set my agenda for checking that I did not need to make a statutory report. I found that I did not need to do so.

Over the last few weeks I have had to be dealing with the many and varied legal issues posed by a prospective Panorama programme that is now going out this evening. I have been keen to ensure that the programme is factually correct and fair and balanced between the candidates for the mayoralty in May – 9 candidates have already declared and there has been canvassing going on since New Year! The journalist however only seemed to want to concentrate on the conduct and character of the incumbent, who is one of the candidates who has declared.

The journalist, John Ware, has written a piece on the BBC London News website today about the programme and has quoted the Secretary of State as saying that he was going to review Panorama's analysis of the Council's Grant Processes and would consider intervening. My purpose in writing is to offer my co-operation with that process.

Mr Ware's analysis is based on the documentation that the Council gave him: which was the complete record of applications for grants, considerations of applications, officer recommendations and member decisions since 2006 to date. The record did contain material (about applicants) that had previously been kept confidential but the view was taken that it was in the public interest to release everything to Mr Ware so that he could reassure himself that the processes of the Council were open, transparent and fair.

Mr Ware seems to have failed to understand that at Tower Hamlets, while the Mayor has retained the executive power to award grants to himself alone, he makes those decisions in open Cabinet meetings which are subject to the statutory access to information processes in respect of agendas, reports and background papers; are open to the public and are, now, webcast with published minutes and executive decisions recorded as is required. The Grants Awards process has not been challenged by the Council's Auditor, KPMG, and there have been no judicial challenges, even from those organisations whose grants have been cut, to the fairness of those processes. The processes have been subject to Overview and Scrutiny reviews and call-ins as you would expect.

You will appreciate that I have a personal statutory duty to intervene if I think that the Council has behaved unlawfully or with maladministration. My review of the records and interviews with the staff involved in administering the process found nothing untoward at all.



I have a spare copy of the records that were given to Mr Ware by the Mayor and will be happy to provide the Secretary of State's investigators with that material. It is a weighty set of volumes however so you may want to warn them.

Your colleague, Elizabeth Whatmore, is, I understand, due to visit Tower Hamlets again soon as part of the ongoing relationship between your Department and the Council. If there are any concerns then they can be addressed then.

I still cannot understand why Mr Ware has been looking at Tower Hamlets when, as you will know, there has been a much better founded scandal about grant giving at Basingstoke & Deane Borough Council. The Internal Audit Service there (that I used to manage) found a number of problems with the grant-giving processes and published quite a scathing report: see -

[http://www.basingstokegazette.co.uk/news/politics/11001676.Borough\\_council\\_criticised\\_over\\_handling\\_of\\_grants/](http://www.basingstokegazette.co.uk/news/politics/11001676.Borough_council_criticised_over_handling_of_grants/)

I know that you will not be dealing with this personally but perhaps you will pass it to the appropriate person.

Best wishes

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
Web [www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

London Borough of Tower Hamlets  
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PO Box 55739  
5 Clove Crescent  
London  
E14 2BG



## Menu

### Press release

## Inspectors appointed to investigate London borough of Tower Hamlets

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- Organisation:** Department for Communities and Local Government  
(<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>)
- Page history:** Published 4 April 2014
- Policy:** Making local councils more transparent and accountable to local people  
(<https://www.gov.uk/government/policies/making-local-councils-more-transparent-and-accountable-to-local-people>)
- Topic:** Local government (<https://www.gov.uk/government/topics/local-government>)
- Minister:** The Rt Hon Eric Pickles MP (<https://www.gov.uk/government/people/eric-pickles>)

Secretary of State appoints inspectors to look into allegations made against Tower Hamlets.



The Secretary of State for Communities and Local Government, Eric Pickles, has today (4 April 2014) appointed inspectors to look into allegations of governance failure, poor financial management and fraud at the London Borough of Tower Hamlets.

Serious concerns have been raised following the receipt of certain documents. Using new laws that came into effect today the Secretary of State, acting in the public interest, has exercised his legal power today to appoint PricewaterhouseCoopers LLP (<https://www.gov.uk/government/publications/letter-appointing-pricewaterhousecoopers-llp-to-investigate-tower-hamlets>) to carry out an inspection of the council. A file is being passed onto the Metropolitan Police for consideration.

The PricewaterhouseCoopers inspection will look into evidence of the authority's payment of grants, the transfer of property, spending decisions in relation to publicity, and other contractual processes from 25 October 2010 to the present day.

Eric Pickles said:

“ It is a matter of public record that I have long been concerned about a worrying pattern of divisive community politics and alleged mismanagement of public money by the mayoral administration in Tower Hamlets.

Following the receipt of a number of documents, I am now taking legal steps, in the public interest, to appoint inspectors to look into the allegations in respect of Tower Hamlets.

I hope this sends a strong signal that robust processes are in place to investigate allegations of failures in financial management and governance in local government, under the new regime introduced by the Local Audit and Accountability Act which replaces the Audit Commission.

This central action is not undertaken lightly, but localism requires local transparency, scrutiny and accountability, and these vital checks and balances must be upheld.

Tower Hamlets had been duly informed

(<https://www.gov.uk/government/publications/letter-from-sir-bob-kerslake-to-tower-hamlets>) and PricewaterhouseCoopers is already on site. The inspectors have a legal right to access all premises and documents belonging to the authority which appear necessary for the purposes of inspection.

Anyone who has information which may be relevant to the inspection may send it directly to the inspection team by email at [lbth.inspectors@uk.pwc.com](mailto:lbth.inspectors@uk.pwc.com)

Or write to them at:

London Borough of Tower Hamlets Inspectors EP4,  
PricewaterhouseCoopers LLP, 1 Embankment Place, London,  
WC2N 6RH

All disclosures will be treated as confidential, and every effort will be made to protect the identities of those who submit information, however, evidence of fraud may be passed to the police.

## Further information

1. These steps have been taken using statutory powers under the Local Government Act 1999, as amended by the new Local Audit and Accountability Act 2014, which relate to a local authority's functions in respect of governance. The new provisions commenced today, as part of the wider abolition of the Audit Commission.
2. Section 10 of the Act provides power to the Secretary of State to appoint inspectors to carry out an inspection into a local authority's compliance with its best value duty.
3. Section 12 of the Act provides that the authority to be inspected must pay PricewaterhouseCoopers LLP reasonable fee for carrying out the inspection.
4. Section 15 of the Act provides powers to the Secretary of State to intervene in the running of the council, should he consider that necessary, in light of the inspector's findings.
5. PricewaterhouseCoopers will report its findings to the Secretary of State by 30 June 2014.
6. While the investigation is ongoing it would be inappropriate for the government to comment any further.

### Media enquiries

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Please use this number if you're a journalist wishing to speak to  
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### Office address and general enquiries

Eland House  
Bressenden Place  
London  
SW1E 5DU

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(<http://forms.communities.gov.uk/>)

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the public 030 3444 0000

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- Share on Twitter (<https://twitter.com/share?url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fnews%2Finspectors-appointed-to-investigate-london-borough-of-tower-hamlets&text=Inspectors%20appointed%20to%20investigate%20London%20borough%20of%20Tower%20Hamlets>)



Department for  
Communities and  
Local Government

Mr Stephen Halsey  
Head of Paid Services  
Tower Hamlets Council  
Town Hall  
Mulberry Place  
5 Clove Crescent  
E14 2BG

Sir Bob Kerslake  
Permanent Secretary, DCLG  
and Head of the Civil Service

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[www.gov.uk/dclg](http://www.gov.uk/dclg)

4 April 2014

Dear Mr Halsey,

As you will see from the attached letter from Helen Edwards, Director General of Localism at the Department for Communities and Local Government, the Secretary of State has, in exercise of his powers under section 10 of the Local Government Act 1999, appointed PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act in relation to the authority's functions in respect of governance, in particular the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of these documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. I should advise you that certain material is also being passed to the police for their consideration. He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments.

The Secretary of State has given certain directions to PwC in relation to their undertaking the inspection. PwC are directed that the matters to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for entering into contracts. PwC are also directed that the inspection cover matters in relation to the period from the date at which the Mayoral form of governance was implemented in Tower Hamlets, on Monday 25 October 2010, to the present.

It is envisaged that PwC will report the findings of the inspection to the Secretary of State by 30 June 2014, although a later report date may be agreed between PwC and the Secretary of State.

Finally, section 11 of the Local Government Act 1999 provides that an inspector has a right of access at all reasonable times to any premises of the authority and to any document, including electronic documents, relating to the authority which appear to the inspector to be necessary for the purposes of inspection. Statute also provides that the authority shall provide the inspector with every facility and all information which the inspector may reasonably require for the purposes of inspection, and that the authority being inspected must pay the reasonable fees of the inspector. I am sure that you will ensure full co-operation with the inspection.

A handwritten signature in black ink, appearing to read 'Rb Kerlake', with a stylized flourish at the end.

**SIR BOB KERSLAKE**



Department for  
Communities and  
Local Government

Will Kenyon  
Partner  
PricewaterhouseCoopers LLP  
By email

Helen Edwards  
*Director General, Localism*

*Department for Communities and  
Local Government*  
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[www.gov.uk/dclg](http://www.gov.uk/dclg)

4 April 2014

Dear Will Kenyan

**Letter of appointment**

I am writing to inform you that the Secretary of State, in exercise of his powers under section 10 of the Local Government Act 1999 (as amended by the Local Audit and Accountability Act 2014), hereby appoints PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act in relation to the authority's functions in respect of governance, particularly the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment and the directions set out below, the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of those documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments.

The Secretary of State also, in exercise of his powers under section 10 (4) (b) of the 1999 Act, gives the following directions to PwC in relation to their undertaking the inspection.

First, PwC are directed that the matters to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the



authority in relation to publicity, and the authority's processes and practices for entering into contracts.

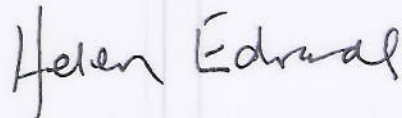
Second, PwC are directed that the inspection is to cover matters in relation to the period from the date at which the Mayoral form of governance was implemented in Towers Hamlets on Monday 25 October 2010 to the present.

Third, PwC are directed to report the findings of the inspection to the Secretary of State by 30 June 2014, or such later date as the inspector may agree with the Secretary of State.

The Secretary of State may following receipt of PwC's report or otherwise issue further directions to PwC.

Section 12 of the Local Government Act 1999 provides that the authority to be inspected must pay PwC's reasonable fees for carrying out the inspection.

Yours sincerely

A handwritten signature in black ink that reads "Helen Edwards". The signature is written in a cursive style with a large initial 'H'.

**Helen Edwards**  
**Director General, Localism**



**Private and confidential**

Stephen Halsey, Esq  
Head of Paid Service  
London Borough of Tower Hamlets  
Town Hall  
Mulberry Place  
5 Clove Crescent  
London E14 2BG

4 April 2014

Dear Mr Halsey

**Inspection under section 10 of the Local Government Act 1999 (amended)**

By a letter dated 4 April 2014 ("the Appointment Letter", copy enclosed), PricewaterhouseCoopers LLP ("PwC") has been appointed by the Secretary of State for Communities and Local Government to carry out an Inspection of the London Borough of Tower Hamlets ("LBTH") under section 10 of the Local Government Act 1999 ("the Act") (as amended by Schedule 10 of the Local Audit and Accountability Act 2014).

The focus of the Inspection is as set out in the Appointment Letter. We attach our initial information/documentation requirement to assist the early stages of our Inspection. We also attach a document and data preservation notice. We draw your attention to section 11 of the Act, which sets out certain provisions concerning the powers of Inspectors appointed under section 10 of the Act. These include (by way of summary):

- The right of access to premises and documents of the subject authority at all reasonable times;
- The right to require information or explanations to be given by relevant persons; and
- The requirement upon the subject authority to provide the Inspector with all facilities and information that the Inspector may reasonably require for the purposes of the Inspection.

In addition, section 11 of the Act makes it an offence for any person without reasonable excuse to fail to comply with a requirement of an Inspector. An Inspector is required to give three clear days' notice of any requirement.

Our aim will be to carry out the Inspection as efficiently as possible and with the least possible disruption to the day-to-day workings of LBTH. Inevitably, we will need to call on your people and resources to assist us in this and we thank you in anticipation of your co-operation.

Yours sincerely

Will Kenyon, Partner

*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH  
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7212 4652, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



## **INITIAL INFORMATION/DOCUMENTATION REQUIREMENT**

Unless otherwise stated, requirements cover the period from 25 October 2010 to 31 March 2014. For the purposes of this requirement, the term LBTH includes any affiliated entity or agent of LBTH.

If there is other information not explicitly mentioned below but which is readily available and would assist the Inspectors in understanding LBTH's processes or the nature of specific transactions, please provide this also.

Where lists of transactions, contracts or other items are required, it would be most helpful if these could be produced in soft copy in Microsoft Excel for ease of analysis.

### **A. Grants**

1. A complete list of all grants made by LBTH to include:

- Full name of the recipient organisation;
- Amount of the grant;
- Purpose of the grant;
- Date of payment; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.

2. Documentation of policies and procedures pertaining to the receipt, processing, evaluation and approval of grant applications, and payment of grants.

### **B. Property disposals**

1. A complete list of all real estate properties (including without limitation land, commercial property and residential property) sold by or otherwise transferred out of the ownership of LBTH, to include:

- Full description and address of the property;
- Value of the property at the date of sale or transfer;
- Full name and details of the party acquiring the property;
- Date of sale or transfer; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail

2. Documentation of policies and procedures pertaining to property disposals.

### **C. Contracts**

1. A complete list of all contracts let by LBTH with a contract value of £10,000 or more, to include:

- Date of contract;
- Nature of goods or services procured;
- Full name and details of the contract counterparty/(ies);
- Value of the contract; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.



2. Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of contracts and the payment of suppliers and service providers.

**D Expenditures relating to publicity**

1. A complete list of all payments by LBTH to media organisations, including without limitation film, television, radio, internet and print media (such as newspapers, magazines, etc). This should include:

- Full name of the payee organisation;
- Amount of the payment;
- Date of payment; and
- Any relevant reference numbers or unique identifiers that are part of the audit trail.

2. An analysis of all costs incurred in relation to the publication of *East London Life*.

3. Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of expenditures relating to publicity.

**E. Other**

1. An organisation chart for LBTH showing key roles and responsibilities and, in particular, those departments, committees and individuals relevant to the matters covered under A to D above.

2. Copy of LBTH document management and retention policy.



## **DOCUMENT AND DATA PRESERVATION NOTICE**

All records in the possession, custody or control of the authority relating to LBTH (including any affiliated entity or agent of LBTH) dating from 25 October 2010 to 31 March 2014 inclusive, which relate to the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for entering into contracts.

The records that must be preserved include, but are not limited to, all originals or copies with annotations of letters, email, instant messages, drafts, informal files, desk files, handwritten notes, faxes, memoranda, forms, calendar entries, address book entries, and any records stored in hard copy or any electronic form (including records on desktop or laptop computers, on server back-up tapes, on a personal digital device such as an iPhone or Blackberry, or on removable media such as CDs, DVDs, USB memory sticks and external hard drives), whether at the office, home or anywhere else that relate in any way to the business activities of LBTH.

In light of the foregoing, please continue to preserve and take any additional steps necessary to preserve *all* records covered by this notice. Such records should be not altered, discarded or destroyed, even if they are in draft or preliminary form.

Records covered by this notice should be preserved even if they would otherwise be routinely discarded or deleted under applicable records retention policies and protocols.

The requirements of this notice should be distributed to those individuals who may, in your best judgement, have potentially responsive records.

---

## ***Agenda for meeting on 4 April 2014***

1. Introductions
2. Terms of reference
3. Initial Information Request
4. Working Arrangements & Data Access
5. Timetable
6. LBTH team
7. Any other matters



## HEAD OF PAID SERVICE

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Permanent Secretary DCLG & Head of Civil Service  
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[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

10<sup>th</sup> April 2014

Dear Sir Bob

Thank you for your letter dated 4 April 2014 informing me of the Secretary of State's decision to cause an inspection to take place in exercise of his powers under section 10 of the Local Government Act 1999. As you may already be aware, I have now met with the inspectors from PwC, and they have commenced their work. May I assure you of the Council's intention to co-operate fully with PwC.

I am writing to seek further information in respect of the Secretary of State's decision. For the sake of clarity and brevity I will simply list the points that arise.

(1) You explain that in reaching the decision to exercise his section 10 powers the Secretary of State has had regard to "*certain documents*" received by the Department which concern governance in Tower Hamlets. Could you please provide me with copies of these documents.

(2) Your letter refers to "*allegations about poor governance and possible fraud*". I assume that these allegations are part of the basis for the Secretary of State's decision. Could you set out (a) the specifics of the allegations concerning poor governance explaining in each case what it is that is said to have constituted the poor governance and when the events relied on took place; and (b) the same details in respect of the allegations of fraud.

(3) You say that in reaching the decision to exercise his powers under section 10 of the 1999 Act, the Secretary of State had regard to matters referred to in the BBC Panorama programme broadcast on 31 March 2014. Could you identify which matters referred to in the programme the Secretary of State took into account.

(4) Your letter states the terms of reference which the Secretary of State has given to PwC (as also set out in Helen Edwards' letter to PwC dated 4 April 2014, see the fourth paragraph of that letter). The terms of reference are broadly stated; PwC have been instructed to inspect generally in respect of the period from 25 October 2010 to date, and instructed "*in particular*" to investigate "*the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the authority in relation to publicity, and the authority's processes and practices for*

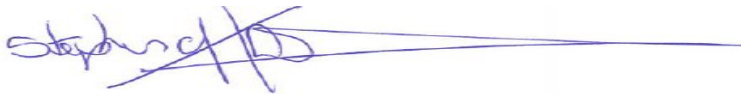
*entering into contracts*". Under section 10(1) the power to appoint an inspector is given in respect of whether a best value authority has complied "... *with the requirements of Part 1 of the 1999 Act in relation to specified functions*". I would be grateful if you could explain the way in which the terms of reference given to PwC correspond to the Secretary of State's power under section 10 of the 1999 Act. Which particular events have caused the Secretary of State to conclude that an inspection should be undertaken; in what respects have these matters caused the Secretary of State to suspect that (in the period since October 2010) Tower Hamlets may have failed to comply with requirements under Part 1 of the 1999 Act; which requirements under Part 1 of the 1999 Act are the ones material for the purposes of the Secretary of State's decision, and for the purposes of the inspection the Secretary of State has instructed PwC to undertake.

(5) You say that the Secretary of State has also passed "*certain material*" to the police for their consideration. Could you provide me with a copy of the letter (or other communication) sent to the police, and also identify the material that has been provided to the police.

May I make it clear that I make these requests only so that Tower Hamlets (a) can be properly informed of the reasons for the Secretary of State's exercise of his power under section 10 of the 1999 Act, and the factual basis on which the decision was taken; and (b) can understand the scope of the inspection including how it corresponds to the section 10 power. I confirm that information provided in response to the requests set out above will be used only for purposes connected with the section 10 inspection.

I would be grateful if you could provide the information requested as a matter of urgency. I look forward to hearing from you.

Yours sincerely



**Stephen Halsey**  
**Head of Paid Service & Corporate Director Communities, Localities & Culture**



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## Police find no evidence of criminality by Tower Hamlets mayor Lutfur Rahman

Elected mayor of London borough was accused of doubling funding for Bengali-run charities in attempt to buy influence

Caroline Davies

The Guardian, Wednesday 16 April 2014 13.47 BST



Lutfur Rahman said the allegations were motivated by racism and Islamophobia. Photograph: Graeme Robertson

A police investigation into allegations of fraud and financial mismanagement by the mayor of a London council has found "no credible evidence of criminality".

Lutfur Rahman, elected mayor of Tower Hamlets, east London, was accused by the BBC's Panorama of more than doubling public funding to Bangladeshi and Somali groups from £1.5m to £3.6m in the face of recommendations from council officers.

He denied the allegations, saying they had been motivated by racism and Islamophobia.

The communities secretary, Eric Pickles, sent inspectors into the borough to investigate Rahman's activities, but Metropolitan police officers who reviewed the allegations found no evidence of fraud or other offences.

He will face no further action from police "at this stage", but the force said it was appropriate for outside auditors from PricewaterhouseCoopers (PwC) to continue their financial review of the council.

A Scotland Yard statement said: "On Friday 4 April the Metropolitan Police Service received three files of material from the Department for Communities and Local Government relating to the London borough of Tower Hamlets. These comprised material referred to the DCLG by a member of the public and by the BBC Panorama programme.

"The files have been reviewed by a team of officers over the past six days. In addition, officers have liaised with PricewaterhouseCoopers, who are conducting a full and wide-ranging audit of financial matters at the London borough of Tower Hamlets.

"There is no credible evidence of criminality within the files to provide reasonable grounds to suspect that fraud or any other offence has been committed at this stage. Therefore the MPS will not be investigating at this point in time and believe that it is appropriate for the material to be reviewed further by PwC and DCLG. We will continue to liaise with them should their audit uncover any evidence of criminality."

PwC has been asked to report back to Pickles by 30 June. Tower Hamlets council, which says it has seen no evidence that its processes have been run inappropriately, welcomed the police statement.

Panorama alleged that Rahman doubled the recommended funding for Bengali-run charities in an attempt to buy influence. Pickles asked inspectors to focus on grant payments, the transfer of property by the authority to third parties, publicity spending decisions and contractual processes since the mayor was elected.

Rahman, who briefly led the council for Labour, fought the borough's first mayoral contest in 2010 as an independent after being dumped by Labour's national executive committee. He will seek re-election next month.

Before the Panorama broadcast, Rahman said he had acquired a dossier of internal documents passed on by a researcher who worked on the programme. She took copies of the production files including the script, research notes, translations and details about secret filming from a shared but secure database.

Rahman claimed these revealed "clear racist and Islamophobic overtones targeting the Bangladeshi Muslim community in Tower Hamlets" and that the broadcaster had breached its editorial guidelines. The BBC denied there was any racial, religious or political motivation to the documentary.

A BBC spokesperson said: "We continue to stand by the programme's findings which uncovered serious concerns about the use of public money, which are still being investigated by the government. Our programme did not say there was evidence of criminality. The allegations relate to potentially unlawful expenditure, not to a criminal matter. For the avoidance of doubt, the Metropolitan Police were not investigating allegations made within the Panorama programme, and any such claims are misleading."



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**Department for  
Communities and  
Local Government**

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**Sir Bob Kerslake**  
*Permanent Secretary, DCLG  
and Head of the Civil Service*

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[www.gov.uk/dclg](http://www.gov.uk/dclg)

17 April 2014

Dear Mr Halsey,

**Tower Hamlets Council: best value inspection**

Thank you for your letter of 10 April. In that letter, you request certain information, material and explanations from the Department and provide an assurance of your Council's intention to co-operate fully with the inspection.

I welcome that assurance. The focus of all must now be on enabling the inspection to be effectively undertaken as efficiently and expeditiously as possible. The letter appointing the inspector, a copy of which I sent to you on 4 April, sets out clearly the basis of the Secretary of State's decision, the statutory powers which he exercised, and the scope and likely duration of the inspection, providing your Council with the information that it needs to fulfil its obligations in relation to the inspection.

As to your requests, it is clear from the appointment letter that the Secretary of State considered it appropriate, given the circumstances of Tower Hamlets, to exercise his powers under the Local Government Act 1999 to appoint an inspector to carry out a best value inspection of your Council. The appointment letter explains that in making the appointment, the Secretary of State had regard to certain documents that the Department has received about governance in Tower Hamlets, a review of those documents undertaken by PwC, and the Panorama programme broadcast on 31 March. Some of this material – the Panorama programme – is already in the public domain. Other material has been provided to the Department on a confidential basis and it would be a breach of confidence and risk impeding the ongoing inspection, and any potential future police investigation, to make this information more widely available, including to your Council.

Finally, I would add that I very much appreciate your efforts, and those of your senior officers and staff, to ensure that the inspection has to date run smoothly, and will continue to do so.

**SIR BOB KERSLAKE**



## Menu

### Press release

## Eric Pickles takes action to defend the independent free press

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- Organisation:** Department for Communities and Local Government  
(<https://www.gov.uk/government/organisations/department-for-communities-and-local-government>)
- Page history:** Published 17 April 2014
- Policy:** Making local councils more transparent and accountable to local people  
(<https://www.gov.uk/government/policies/making-local-councils-more-transparent-and-accountable-to-local-people>)
- Topic:** Local government (<https://www.gov.uk/government/topics/local-government>)
- Minister:** The Rt Hon Eric Pickles MP (<https://www.gov.uk/government/people/eric-pickles>)

Five councils have a fortnight to explain Publicity Code breaches before the Secretary of State issues legal directions.



Five councils have been given a fortnight to explain why steps should not be taken to stop their "propaganda on the rates", Local Government Secretary Eric Pickles announced today (17 April 2014).

Formal letters (<https://www.gov.uk/government/collections/code-of-practice-on-local-authority-publicity>) have been sent to 5 London boroughs triggering the first legal steps the Secretary of State can now take to require compliance with the Publicity Code for local authorities (<https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity>), under the new Local Audit and Accountability Act.  
(<http://www.legislation.gov.uk/ukpga/2014/2/contents/enacted/data.htm>)

The code sets a range of provisions in relation to local authority publicity including the frequency, content and appearance of taxpayer-funded news-sheets. This includes limiting publication to prevent competition with local newspapers, obliging councils to be cost effective and objective in any publicity material they publish.

Parliament passed the new Act after ongoing concerns that a small number of local authorities were breaching the publicity code, originally introduced under Margaret Thatcher's government. Strengthening these provisions was in the Coalition Agreement (<https://www.gov.uk/government/publications/the-coalition-documentation>) published in 2010, reflecting policy commitments made by both coalition parties before the general election.

The action is being taken against the municipal newspapers of Greenwich Time, Hackney Today, the Newham mag, Waltham Forest News and (Tower Hamlets') East End Life. The councils now have a fortnight to show why a direction is not necessary. Any council that does not follow the legal direction could end up facing a court order requiring compliance.

This is part of a series of measures to protect local democracy and enhance local scrutiny. The new provisions of the Local Audit and Accountability Act 2014 have been used to initiate an investigation into the probity of the controversial mayoral administration in Tower Hamlets. (<https://www.gov.uk/government/news/inspectors-appointed-to-investigate-london-borough-of-tower-hamlets>) New powers will also shortly enhance the rights of the press and public to report council meetings using digital and social media, following cases where members of the public have been threatened with arrest for reporting council meetings.

These measures build on the Localism Act 2011 (<https://www.gov.uk/government/publications/localism-act-2011-overview>) which protected councillors' free speech by changing the law on 'predetermination' which was being used to prevent councillors from campaigning on local issues and by scrapping a quango that was being used to bully councillors who blew the whistle on waste and corruption. The new rules today do not affect party political campaigning using private funds.

Mr Pickles said:

" It is scandalous that bloggers have been handcuffed for tweeting from council meetings, while propaganda on the rates drives the free press out of business. Only Putin would be proud of a record like that.

Localism needs robust and independent scrutiny by the press and public, and municipal state-produced newspapers suppress that. 'Town Hall Pravdas' not only waste taxpayers' money unnecessarily, they undermine free speech.

I have given written notice to councils most clearly breaching the Publicity Code, noting that Parliament has passed new laws to tackle this abuse. We are prepared to take further action against any council that undermines local democracy - whatever the political colour.

We have changed the law to protect the free speech of councillors. If councillors and political parties want to campaign and put out political literature, they are very welcome to do so, and it's an important part of our democratic process. But they should be using their own money, rather than taxpayers.

## Further information

The recommended code of practice on local authority publicity (<https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity>) applies to all decisions by local authorities relating to taxpayer-funded paid advertising and leaflet campaigns, publication of free newspapers and news-sheets and maintenance of websites – including the hosting of material which is created by third parties. It states that publicity by local authorities should:

- be lawful
- be cost effective
- be objective
- be even-handed
- be appropriate
- have regard to equality and diversity
- be issued with care during periods of heightened sensitivity

It does not inhibit publicity produced by political parties or councillors at their own expense.

The Local Audit and Accountability Act 2014

(<http://www.legislation.gov.uk/ukpga/2014/2/contents/enacted/data.htm>) gives the Secretary of State the power to direct a local authority to



comply with some, or all, of the provisions of the recommended code of practice on local authority publicity. This code applies to all local authorities in England. The process for issuing a direction is for the Secretary of State to first give notice in writing to the authority of the proposed direction so the authorities can make any relevant representations. After that 14 day period has elapsed, the Secretary of State may then issue the direction. If the direction is not complied with, a person having appropriate interest (such as a council taxpayer, elector, or a councillor of the authority concerned, or the Secretary of State), may seek a court order requiring compliance with the direction. Non-compliance with a court order may be contempt of court.

Having regard to the information available to him the Secretary of State intends to direct the councils written to today to comply by no later than 1 May 2014 with the specified provisions of the recommended code of practice on local authority publicity issued under section 4 of the Local Government Act 1986 (<http://www.legislation.gov.uk/ukpga/1986/10/part/IV>) on 31 March 2011 which was approved by a resolution of each House of Parliament.

On objectivity the code states that:

- “ Local authorities should ensure that publicity relating to policies and proposals from central government is balanced and factually accurate. Such publicity may set out the local authority’s views and reasons for holding those views, but should avoid anything likely to be perceived by readers as constituting a political statement, or being a commentary on contentious areas of public policy.

On even-handedness the code states that:

- “ Where local authority publicity addresses matters of political controversy it should seek to present the different positions in relation to the issue in question in a fair manner.

On appropriate publicity the code states that:

- “ Local authorities should not publish or incur expenditure in commissioning in hard copy or on any website, newsletters, newsheets or similar communications which seek to emulate commercial

newspapers in style or content. Where local authorities do commission or publish newsletters, news-sheets or similar communications, they should not issue them more frequently than quarterly, apart from parish councils which should not issue them more frequently than monthly. Such communications should not include material other than information for the public about the business, services and amenities of the council or other local service providers.

The following table set out which councils have been written to and for what reason:

<b>Local authority</b>	<b>Required compliance</b>	<b>Alleged form of non-compliance</b>
The Royal Borough of Greenwich	Comply with all provisions in the Code by 1 May	Not objective, not even-handed, 'Greenwich Time' is published 50 times a year
The London Borough of Hackney	Comply with the Code's provisions on frequency of publication by 1 May	'Hackney Today' is published fortnightly
The London Borough of Tower Hamlets Council	Comply with all provisions in the Code by 1 May	Not objective, not even-handed, 'East End life' is published weekly
Newham Council	Comply with all provisions in the Code by 1 May	Not even-handed, 'the Newham mag' is published fortnightly
The London Borough of Waltham Forest	Comply with all provisions in the Code by 1 May	Not even-handed, 'Waltham Forest News' is published fortnightly

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(<http://forms.communities.gov.uk/>)

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Email [communications-newsdesk@communities.gsi.gov.uk](mailto:communications-newsdesk@communities.gsi.gov.uk)

Please use this number if you're a journalist wishing to speak to Press Office 030 3444 1201

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8 May 2014

[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

Our Ref: L/MSG  
Your Ref:

Dear Permanent Secretary

**RE: Tower Hamlets Council Best Value Inspection**

Thank you for your letter dated 17 April 2014. The Head of Paid Service has passed it to me and asked me to respond on the Council's behalf and to lead on the engagement of the Council with the Extraordinary Audit mandated by the Secretary of State on 4 April and being undertaken by PwC.

I regret to say that your letter is entirely unsatisfactory.

In his letter to you dated 10 April 2014, Mr. Halsey raised 5 points with a view to obtaining an explanation of the reasons for the Secretary of State's decision to initiate an inspection pursuant to section 10 of the Local Government Act 1999. I will not repeat those points in full, but by way of summary, Mr. Halsey (1) requested copies of the documents which the Secretary of State had said he took into account when reaching his decision; (2) asked for details of the "allegations about poor governance and possible fraud" which the Secretary of State had said should be investigated (but had not identified); (3) asked the Secretary of State to identify the matters referred to in the *Panorama* broadcast of 31 March 2014, which he said he had taken into account (but had not identified); (4) asked the Secretary of State to explain how the PwC terms of reference were consistent with the scope of the section 10 power, and to state the matters that had led him to suspect that in the period since October 2010 (the period specified by the Secretary of State) the Council may not have complied with its obligations under Part 1 of the 1999 Act; and (5) asked that the Secretary of State identify and provide copies of the material he said he had passed to the Police.

Your letter dated 17 April 2014 does not even attempt to address these matters. It does no more than – in the barest of outline – summarise the content of the letter dated 4 April 2014. It provides no further information at all.

In respect of some of the information you state that disclosure would “*risk impeding the ongoing inspection and any future police investigation*”. This reference to the possibility of police investigation is entirely speculative. As you know, on 16 April 2014 the Metropolitan Police stated publicly that the information provided to them (presumably by the Secretary of State) provided “*no credible evidence of criminality*”. As to the possibility that disclosure of some of the information relied on by the Secretary of State might impede the inspection, even if this concern is warranted, it does not prevent the Secretary of State providing the Council with copies of the remainder of the information he relied on. Nor does it prevent you from providing answers to the points summarised at (2) – (4) above, or prevent you from providing copies of the documents referred to at (5) above.

You also say that some of the material relied on by the Secretary of State was provided to him on a “confidential basis”. To the extent that when taking the decision to exercise his section 10 power the Secretary of State relied on documents that were not provided to him on a “confidential basis”, the points made in the last paragraph apply – i.e. as this condition clearly did not apply to all information relied on by the Secretary of State, it cannot provide a reason for refusing to provide that other information. However, there is also a more fundamental point. It is entirely inappropriate for a Secretary of State to exercise statutory powers of investigation and then simply assert that “confidentiality” prevents him saying why. While I can see that in some circumstances the legitimate requirements of an investigation may justify holding back some information, temporarily, this is not the point that you make in this part of your letter. Rather, you seem to be saying that because some information has been provided “on a confidential basis” the Secretary of State is unable to provide any reasons for his decision. With respect, that is not an appropriate or permissible approach to a matter of public importance. If you disagree, please explain why the public interest properly to understand the reasons for the Secretary of State’s decision does not outweigh the condition of confidentiality that you rely on.

I invite you to reconsider your position, and to provide proper responses to the points set out in Mr. Halsey’s letter dated 10 April 2014.

This is a matter of real importance. As you also know, the inspection that may take place is “an inspection of ... compliance with the requirements of [Part 1 of the 1999 Act] in relation to specified functions”. The Secretary of State must have reasonable grounds for a decision to exercise his powers, and any decision to exercise the powers must itself be reasonable and proportionate. As matters presently stand it is far from clear that the Secretary of State’s decision to exercise his section 10 powers was a lawful decision.

*First*, you have declined to provide any response to the matters raised by Mr. Halsey. For the reasons set out above, your approach is not justified.

*Second*, the conduct of the inspectors that the Secretary of State has appointed PwC suggests that there is no proper basis for the decision to inspect the Council’s compliance with its obligations under Part 1 of the 1999 Act. For example, PwC have requested copies of all emails sent and received, in the period from October 2010 to date, by 27 of the elected members of the Council and 47 of its officers. The request covers all functions of the Council

– it does not distinguish between those functions of the Council that are overseen by Government Departments other than DCLG and it is not limited even to the functions mentioned in the Secretary of State's letter dated 4 April 2014. Such a blanket request strongly suggests that what is taking place is not an inspection in respect of specific concerns, but rather a trawl through vast quantities of information in the hope that something to inspect will crop up. Moreover, it is more than a little concerning that without any form of explanation, the request directed to the emails of elected members covers 13 of the 26 Labour Party Councillors, 12 of the 15 elected members who are not members of any political group, the sole Liberal Democrat Councillor, but no Councillor from any other political party. In this regard too the request is simply for every email sent and received in the course of almost 4 years; there is no attempt to focus the request. If these two matters (lack of explanation for selection of the class; unlimited scope of the request) are taken together, the appearance is of an investigation driven by political considerations, not one that is genuinely concerned with the Council's compliance with its obligations under Part 1 of the 1999 Act. The investigation is not focused even on the matters referred to in the Secretary of State's letter dated 4 April 2014; and if this is so then it strongly suggests that the reasons for the Secretary of State's decision are not the ones set out in that letter.

*Third*, even putting the reasons for the section 10 decision to one side, the scope of the inspection appears to be entirely disproportionate. To give just one example, even assuming that the Secretary of State is concerned with some of the property transactions undertaken by the Council since 2010, does that concern really include all the Right to Buy sales, all grants of tenancies and all decisions on commercial lettings? PwC have asked to review all those transactions. Based on what the Secretary of State's inspectors are doing, the Council is faced with a largely unfocussed and incoherent set of issues. This too is at odds even with what the Secretary of State said in his 4 April 2014 letter.

I would be grateful for a substantive response to the matters set out above. The Council has serious concerns as to the legality of the Secretary of State's decision to exercise his section 10 powers, and in respect of his decision as to the scope of the inspection now in progress. I would be grateful if you could provide that response as soon as possible.

Pending your response, please take notice that I shall be requiring PwC to specify how their current and any future data requests are directed towards the Council's compliance with Part 1 of the 1999 Act and also how they relate to the four areas of attention that the Secretary of State mandated in their Letter of Appointment of 4 April 2014. I shall be advising the Council that it has no legal obligation to respond to requests for data from PwC that are beyond both their statutory and mandated remit and certainly not to pay for any audit activity which is beyond their proper authority.

Yours sincerely



**Meic Sullivan-Gould**  
**Interim Monitoring Officer**

Sir Bob Kerslake  
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12<sup>th</sup> May 2014

Dear Permanent Secretary,

### **LBTH Best Value Inspection**

I am the officer currently charged with responsibility for administration of the London Borough of Tower Hamlets' financial affairs under Section 151 of the Local Government Act 1972.

I write further to your letter of 4<sup>th</sup> April 2014 to the Council's Head of Paid Service, Mr Stephen Halsey. Your letter states that PricewaterhouseCoopers LLP (PWC) have been appointed by the Secretary of State, under section 10 of the Local Government Act 1999, to carry out an inspection of the Council's compliance with the requirements of Part 1 of the 1999 Act in particular with regard to the Council's functions under section 151 of the Local Government Act 1972.

Section 12 of the 1999 Act, as amended by the Local Audit and Accountability Act 2014 states that an authority inspected under section 10 *"must pay the reasonable fees of the inspector"*. Prior to the amendment of section 12 the fees payable by an authority were set out in a scale of fees set published the Audit Commission, following consultation with appropriate representative local government bodies. However, now there is no such scale of fees. Nothing has been published at all to indicate what approach will now be taken when determining what are "reasonable fees" for the purposes of a section 10 inspection. The matter now appears to be entirely open ended.

I would be grateful if you could let me know the principles which the Secretary of State intends to put in place for the purposes of determining how and by whom "reasonable fees" will now be determined.

As chief financial officer, I have a duty to ensure sufficient financial provision is made available to meet the cost of any liability under section 12 of the 1999 Act. From what I can tell, under the original section 12 provisions the cost of an inspection by the Audit Commission might have been somewhere between £60,000 and £100,000. I am concerned that the approach taken to date by PWC will be significantly different. At present there are around 20 PWC

employees (described as forensic auditors) on site at the Council. I have been informed that the inspection may take up to 3 months to complete. This suggests that what PWC may seek to charge may well be out of all proportion to the costs of inspections to date (perhaps up to 10 times what might previously have been charged by the Audit Commission).

You will therefore understand that I need to have a clear idea of the approach that will be taken under section 12 of the 1999 Act to the determination of the "reasonable fees" that are to be paid by the Council. The position is rendered even more acute because the date for finalising the Council's 2013/14 accounts is now fast approaching. I need to determine whether additional provision needs to be set aside and reported for this item; and I need to be able to determine this as a matter of urgency. If there may be significant implications for the medium term financial plan of the authority, and I will be required to report to Full Council accordingly.

For these reasons I would be grateful if you could set out the principles that will be applied as regards the application of section 12 of the 1999 Act. Could you also address principles that will be applied in respect of (a) arrangements for payment, including interim payments; and (b) arrangement for determination of "reasonable fees" in the event of dispute. I look forward to your response.

Yours faithfully,



**CHRIS HOLME**  
**ACTING CORPORATE DIRECTOR, RESOURCES / SECTION 151 OFFICER**





Department for  
Communities and  
Local Government

Meic Sullivan-Gould  
Interim Monitoring Officer  
London Borough of Tower Hamlets  
Via email  
Meic.sullivan-gould@towerhamlets.gov.uk

14 May 2014

Dear Mr Sullivan-Gould

**Re: Tower Hamlets Best Value Inspection**

Thank you for your letter of 8 May 2014 to Sir Bob Kerslake, to which I have been asked to respond. In your letter you explain that your Council has serious concerns about the legality of the Secretary of State's decision to exercise his section 10 powers, including about the legality of the scope of the inspection. You also ask Sir Bob Kerslake to re-consider the position he set out in his letter of 17 April in response to a letter of 10 April to him from Mr Halsey, your Council's Head of Paid Service & Corporate Director Communities, Localities & Culture.

In his letter of 10 April, Mr Halsey assured Sir Bob of the Council's intention to co-operate fully with PwC, an assurance which Sir Bob welcomed in his response of 17 April. In this context, I hope my comments below will assist your Council fully to fulfil its intention, enabling the inspection to be effectively undertaken as efficiently and expeditiously as possible – which should be the focus now for all, as Sir Bob highlighted in his letter.

The Secretary of State has appointed PwC to carry out a best value inspection (not an Extraordinary Audit to which you make reference in your letter) of the compliance of your Council with the requirements of Part 1 of the Local Government Act 1999 in relation to certain functions. These 1999 Act requirements include the general duty that an authority must 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.

As is stated in the letter of appointment to PwC, the current inspection is of compliance with the 1999 Act duties mentioned above in relation to your Council's functions "in respect of governance, particularly the authority's functions under section 151 of the Local Government Act 1972". These are the specified functions for the purposes of section 10(1) of the 1999 Act. The inspection is thus wide-ranging and the Secretary of State is clear that any matter relating to the arrangements your Council has made and operated for its governance is within scope.

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It is a misreading of the appointment letter to see the scope of the inspection as being limited to the four particular matters mentioned. These four matters are referred to in a direction given to PwC pursuant to section 10(4)(b) of the 1999 Act, being the matters to which initially the inspection should in particular relate. If the inspectors consider that in order to fulfil their appointment relating to your Council's governance functions they need to cover other matters, it is appropriate for them to do so.

Best value inspections under the 1999 Act are the preliminary stage of a process which may lead to the authority concerned being directed by the Secretary of State to undertake a possible range of actions as provided for in section 15 of the 1999 Act. Specifically, section 13 of the 1999 Act provides that an inspector's report must both mention any matter in respect of which the inspector believes as a result of the inspection that the authority is failing to comply with the 1999 Act duties, and may recommend, if there is such a matter, that the Secretary of State gives a direction under section 15 of the 1999 Act.

As you say, the Secretary of State's decision to appoint a person to carry out an inspection must be reasonable and proportionate. Given that an inspection is a preliminary stage of a process designed to inform objectively any further stages of the process, it is reasonable and proportionate to instigate an inspection in circumstances where significant allegations have been raised, publicly or otherwise, which cast doubt on an authority's compliance with its 1999 Act duties. Moreover, any such inspection needs to be sufficiently wide and comprehensive to provide, as the case may be, either a robust assurance that in fact there is compliance, or both to identify matters of non-compliance, and if the inspector considers appropriate, for him to recommend the Secretary of State gives directions under section 15 of the 1999 Act.

In the case of your Council, as the appointment letter states, appropriate further investigations of your council were recommended by PwC, a well-respected audit firm, to establish whether allegations about poor governance and possible fraud, made in certain documents reviewed by PwC, have any foundation. Moreover, as also stated in the appointment letter, significant allegations have been made in the BBC Panorama programme about governance failures, poor financial management and possible fraud – these allegations alone being reason enough to instigate the inspection which is being carried out.

In short, the Secretary of State's reasons for appointing inspectors are as follows. Serious allegations have been made about governance at Tower Hamlets. A well-respected audit firm has recommended further investigation about certain allegations. In these circumstances, serious doubt has been cast on whether your Council is compliant with its 1999 Act duties in relation to the exercise of its governance functions. Accordingly, the Secretary of State believes an inspection is necessary to provide either assurance of compliance or to identify matters of non-compliance, and possibly appropriate remedial action. He is clear that without such an inspection the public could have no continuing confidence that your Council has in place arrangements to ensure it delivers value for money in its use of public resources.

Against this background, Sir Bob Kerslake has reviewed his letter to Stephen Halsey of 17 April and considered his position afresh. He remains of the view that the reasons for the Secretary of State's decisions as to the inspection and its scope are clear, and above

I have further articulated these and the approach the Secretary of State has adopted to the exercise of his section 10 powers.

Sir Bob also remains of the view that some of the material to which the Secretary of State had regard – the Panorama programme – is in the public domain, and that “other material has been provided to the Department on a confidential basis and it would be a breach of confidence and risk impeding the ongoing inspection and any **potential** future police investigation [my emphasis: in your letter you misquote Sir Bob as referring to “any future police investigation”], to make this information more widely available, including to your Council”. Moreover, he does not accept your suggestion that reference to the possibility of police investigation is entirely speculative; in their statement the Metropolitan Police Service stated that “it is appropriate for the material to be reviewed further by PwC and DCLG. We will continue to liaise with them should their audit uncover any evidence of criminality”.

Finally, you refer to certain matters relating to the conduct of the inspection. These are entirely matters for the inspector. I have explained the basis of the appointment and the scope of the inspection. How the inspectors discharge their remit is a matter for them. It is important, as you will appreciate, that whatever precise approach they adopt, for example in relation to obtaining documents and information, it will ensure the completeness and robustness of their conclusions, having regard to their remit to report your Council’s compliance with its duties under Part 1 of the 1999 Act in relation to its functions in respect of governance, particularly the authority’s functions under section 151 of the Local Government Act 1972.

Yours sincerely,

A handwritten signature in black ink that reads "P. Rowsell". The signature is written in a cursive style with a horizontal line underneath the name.

**Paul Rowsell**





Department for  
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Local Government

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Section 151 Officer  
London Borough of Tower Hamlets  
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28 May 2014

Dear Mr Holme

**London Borough of Tower Hamlets Best Value Inspection**

Thank you for your letter of 12 May 2014 to Sir Bob Kerslake, to which I have been asked to respond. In your letter, you state that you are aware that section 12 of the Local Government Act 1999 provides that the London Borough of Tower Hamlets must pay the reasonable costs of the inspector and you ask to know "the principles which the Secretary of State intends to put in place for the purposes of determining how and by whom 'reasonable fees' will now be determined".

The statute makes no provision about any determination of fees, rather it places a duty on the authority concerned to pay the reasonable fees of the inspector for carrying out the inspection. In short, the authority must pay the fees charged by the inspector as long as these are reasonable.

In practice, the fees which the inspector, PwC, will charge are those in accordance with the competitive rates for which provision is made in an existing call-off framework contract which the Department entered into with PwC in April 2013. The amount of fees charged will of course depend on the work which the inspector considers it necessary to undertake, which will become clearer over the coming weeks. Our intention is that as soon as practicable – likely to be early June – we will be able to give you some indication of the aggregate amount of fees which your council will have to pay.

Yours sincerely

Paul Rowsell

## Guest post by Panorama's John Ware: Poison might be drawn with more scrupulous regard to truth

May 29, 2014 by [trialbyjeory](#)

*This is a guest post by John Ware, the BBC Panorama reporter who fronted the Mayor and Our Money programme on March 31. This is the first proper response by the Panorama team to some of the accusations and smears directed towards them from senior officers and politicians in the town hall, both before the programme and since.*



[The former leader of Tower Hamlets Professor Michael Keith observes](#) that the Mayor's "popularity...speaks more to the strengths of community networks, Sylheti ties and the mobilising forces of his political machine."

It is striking just how much The Facts have become flattened in this process – and how tenuous has been the relationship to truth in some notable cases.

Having now observed the sectarian politics of Tower Hamlets at close quarters, it seems to me that some of the poison might be drawn if those in positions of responsibility had a more scrupulous regard for facts and truth.

Yesterday, Mayor Lutfur Rahman's adviser, Kazim Zaidi [wrote on this blog](#):

**"And then there was Panorama, aired just two weeks before the purdah period. Panorama claimed dodgy dealings with grants; it cited the Mayor's car as an example of his profligacy."**

We made no mention of the Mayor's car.

And:

**".. and highlighted his apparent reluctance to attend scrutiny meetings.."**

What we actually highlighted was the Mayor's failure to answer questions in the council's key scrutiny forum: Overview and Scrutiny. O&S minutes show this to be a fact.

The Mayor also seems to have been reluctant to attend O&S. Since the Mayor took office, we could find records of only four attendances: two as a non-speaking attendee, and two when he gave a verbal presentation on his work.

And:

**“...and answering questions in council, failing to point out that Rahman has attended more scrutiny sessions and answered more questions in council than his Labour counterparts in Newham and Lewisham.”**

Mr Zaidi cites only “attendance” in respect of Overview & Scrutiny – presumably because he knows that the pertinent issue here is not attendance but willingness to answer questions.

And, as my commentary said:

**“...In the last year Mayor Rahman is the only one out of all England’s 15 directly elected Mayors not to have answered questions at O & S.”**

According to Newham Council, its Mayor “attended two overview and scrutiny meetings in the last 12 months and has answered questions at both meetings”; and according to Lewisham Council, its Mayor attended “on 20 June 2013” where there were “informal questions”.

The marked reluctance of the Mayor to answer questions at Overview and Scrutiny was especially relevant to our examination of his record on governance. After all, in firing the opening shots of the election campaign, the Mayor claimed to uphold the “highest standards of probity and transparency”.

And:

**“As for the rest, police found ‘no new credible evidence’ of fraud.....”**

As for the “rest”? Once again, as Mr Zaidi knows, we made no allegation against the Mayor of criminality or fraud in the programme. Like the Mayor and the Council, Mr Zaidi has conflated the Metropolitan Police statement of 16 April that there was “no credible evidence” of fraud or criminality in Panorama files (which the DCLG sent to the Met Police) with the quite separate contents of the broadcast Panorama programme.

The Police statement was not, as the Council’s misleading statement said, “in relation to recent allegations made in the BBC Panorama programme”, thereby quite wrongly implying that the Police had cleared the Mayor of fraud allegations “in the Panorama programme”.

The Mayor, the Council and Mr Zaidi know perfectly well that no allegations of fraud or of criminality were made against the Mayor personally by the BBC, nor in our files.

However, as the council also very well knew, Panorama's files DID contain evidence that raised allegations of fraud in respect of a youth organisation that had been grant funded. The reason the Police did not attribute this to Panorama was because the council – not Panorama – had referred the case to the CID at Tower Hamlets.

What the council did not say, however, was that they only referred the case to the Police just days after we had submitted 25 very detailed questions to them about the alleged fraud, thus alerting them to the possibility the programme might disclose the fact that the council had known about the case for months – but not referred it to the police.

Our attempts to persuade the Council to correct the misleading impression from their partial statement at the height of the election campaign were ignored by the Council – the same Council which spent tens of thousands of taxpayers' money trying to stop the BBC from broadcasting the programme in the first place by claiming it would "reduce the chances of a free fair and credible election."

The BBC's duty was not only to be fair, factual and impartial to the politicians contesting the election – but also to inform the electorate. Judging by the record turnout – which pushed up both the Mayor's vote and Labour's – the evidence suggests that far from undermining democracy the BBC might actually have helped reinvigorate it.





The Rt.Honourable Eric Pickles MP  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Via Email: [eric.pickles@communities.gsi.gov.uk](mailto:eric.pickles@communities.gsi.gov.uk)

2 June 2014

**Lutfur Rahman**  
Mayor of Tower Hamlets

Tower Hamlets Town Hall  
5 Clove Crescent  
London E14 2BG

Tel 020 7364 6971  
Fax 020 7364 3213

[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)  
[Mayor@towerhamlets.gov.uk](mailto:Mayor@towerhamlets.gov.uk)

Dear Mr Pickles,

You will be aware that Tower Hamlets' residents have re-elected me as their Mayor for the next four years. It continues to be an honour for me to serve all residents and I am sure you share my view that the best way to do so is for local, regional and national politicians to find common ground and work together.

My officers have updated me on your auditors' inspection which I continue to welcome. I trust you will agree that we have offered every assistance and I very much hope that they will report within the original timeframe, especially in light of the announcement by the Metropolitan police that they have received no credible evidence of criminality.

I am concerned about the mounting costs of the inspection, which as you will be aware, are paid for by Tower Hamlets' council tax payers. In a letter from your permanent secretary to my chief finance officer, it appears that Price Waterhouse Coopers will charge competitive rates with no upper limit on the costs.

We have asked your officials on several occasions for clarity regarding the evidence justifying the audit, the likely costs to be borne by local residents and the extent to which the audit remains within the parameters set by the legal powers you have used. To date we have not received a satisfactory response to the above.

In the context of national government cuts to local government requiring the council to find savings of over £100m over the next three years, it is incumbent upon both of us to ensure the inspection is carried out as efficiently as possible. This should of course be done without compromising Price Waterhouse Coopers' ability to thoroughly complete their deliberations. I would be grateful therefore if we could meet to discuss a way forward on this.

I would finally like to take this opportunity to invite you to visit the borough to meet officers, residents and our third sector partners to see first-hand our achievements over the past four years and our plans for the next four.

I look forward to your reply.

Yours sincerely,

Lutfur Rahman  
Mayor of Tower Hamlets

**Mr Paul Roswell**

Deputy Director - Democracy  
Department for Communities and Local  
Government  
3/J1 Eland House  
Bressenden Place  
London  
SW1E 5DU

By email in the first instance to:  
paul.roswell@communities.gov.uk

Directorate of Law Probity & Governance  
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02 June 2014

Our Ref: STC.58/DG

Dear Mr. Rowsell,

**Re: Proposed claim for judicial review; letter before claim**

I act on behalf of the London Borough of Tower Hamlets. I write in response to your letter dated 14 May 2014 to Mr. Sullivan-Gould. Please note that this letter is a formal letter before claim, and follows the format of the pre-action protocol.

**1. To**

The Secretary of State for Communities and Local Government  
Eland House, Bressenden Place, London. SW1E 5DU

**2. The Claimant**

The London Borough of Tower Hamlets  
6<sup>th</sup> Floor Legal Services, 5 Mulberry Place, London, E14 2BJ DX 42656 Isle of Dogs

**3. Reference details**

Please send any correspondence in relation to this matter to me, at the above address, marked with reference STC.58/DG

#### **4. Details of the matter being challenged**

The Secretary of State's decision to appoint inspectors to undertake an inspection of the Council, pursuant to section 10 of the Local Government Act 1999, as set out in the letter to the Council dated 4 April 2014, and as further stated in the letter to the Council dated 14 May 2014.

#### **5. The issue**

In summary, the Council contends as follows.

*First*, the Secretary of State has unlawfully failed to provide the reasons (alternatively any sufficient statement of the reasons) for the decision to cause an inspection to take place in exercise of his powers under section 10 of the 1999 Act.

*Secondly* (and consequent upon his failure to state the reasons for his decision), the Secretary of State has unlawfully failed to provide responses to requests for information and for documents as set out in the Council's letter dated 10 April 2014. See further at (5) below.

*Thirdly*, the Secretary of State's exercise of his section 10 power is unlawful. In the absence of any proper statement of the reasons for the decision, there is no basis for a conclusion that the Secretary of State has exercised his power lawfully: there is no basis to conclude either that there is any sufficient rational grounds for his decision, or that he has exercised his powers under the 1999 Act in pursuit of a legitimate objective, or that the scope of the inspection directed by the Secretary of State is reasonable and proportionate.

The Secretary of State has failed to explain the connection between the four matters he has directed PWC to inspect (see at (2) below) and the purpose of the power under section 10 of the 1999 Act, which is to ensure compliance with obligations arising under Part 1 of the 1999 Act. Further, in his most recent letter (see below at

(8)) he has stated that the inspection covers all matters relating to the arrangements made by the Council for its own governance. The Secretary of State has provided no basis for a decision to undertake such a wide-ranging inspection (and had not previously stated that this was the scope of the inspection).

(1) The Secretary of State's decision is contained in the letter to the Council dated 4 April 2014. Pursuant to section 10 of the Local Government Act 1999 ("the 1999 Act") the Secretary of State appointed inspectors (Pricewaterhouse Coopers Plc – "PWC") to undertake an inspection relating to the Council's compliance with the requirements of Part 1 of the 1999 Act. The primary obligation under Part 1 of the 1999 Act is at section 3(1) and requires a best value authority to "*... make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*". The Secretary of State's letter also stated that the inspection would relate to "*the [Council's] functions in respect of governance, in particular the [Council's] functions under section 151 of the Local Government Act 1972*". Section 151 of the 1972 Act requires every local authority to "*... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs*".

(2) The letter stated that the Secretary of State had directed PWC to consider (1) payment of grants and connected decisions; (2) the transfer of property to third parties; (3) spending and decisions in relation to publicity; and (4) processes and practices for entering into contracts (referred to together in this letter as "the four matters").

(3) The second paragraph of the letter stated as follows (so far as material for present purposes).

*"In making this appointment the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of these documents undertaken by PWC, which*

*recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. ... He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments."*

(4) Since 4 April 2014 there has been further correspondence between the Council and the Secretary of State: see, letters dated 10 April 2014, 17 April 2014, 8 May 2014, and 14 May 2014. For present purposes, the content of these letters may be summarised as follows.

(5) By its letter dated 10 April 2014 the Council: (a) asked the Secretary of State to identify the "*certain documents*" referred to in the letter dated 4 April 2014 and to provide copies of those documents; (b) asked the Secretary of State to identify the allegations of "*poor governance*" and "*possible fraud*" which he had taken into account when deciding to appoint the inspectors; (c) asked the Secretary of State to identify the matters referred to in the BBC Panorama programme which he had taken into account; and (d) asked the Secretary of State to explain the way in which the proposed inspection into the four matters corresponded to the Secretary of State's power under section 10 of the 1999 Act.

(6) The letter dated 17 April 2014 sent on behalf of the Secretary of State asserted that the 4 April 2014 letter "*sets out clearly the basis of the Secretary of State's decision*". The letter did not attempt to address the point at (d) above. As regards the matters at (a) and (c) above, the letter stated that "*some material*" was already in the public domain, but did not attempt to say what this was; it stated that other material had been provided on a "*confidential basis*". In any event, the Secretary of State did not provide copies of any documents relied on for the purposes of his decision under section 10 of the 1999 Act. The letter did not address the point at (b) above at all.

(7) By a letter dated 8 May 2014 the Council stated that the Secretary of State's response was unsatisfactory, and repeated its requests. The Council also stated that in the absence of further explanation it was not clear that the Secretary of State had acted lawfully either in deciding to appoint inspectors or in respect of the terms of reference of the inspection; and that this conclusion was supported by the actions of PWC who had made blanket requests for information, not directed to the four matters which the Secretary of State had referred to in his 4 April 2014 letter.

(8) The Secretary of State's letter dated 14 May 2014 stated that *"the inspection is ... wide-ranging and the Secretary of State is clear that any matter relating to the arrangements your Council has made and operated for its governance is within scope"*. The letter asserted that *"significant allegations"* had been raised that *"cast doubt"* on the Council's compliance with duties under the 1999 Act, and that *"serious allegations have been made about governance at tower Hamlets"* and that PWC had recommended *"further investigation about certain allegations"*; however the letter did not identify what the allegations were. So far as the conduct of the inspection was concerned, the Secretary of State asserted that such matters were *"entirely"* for PWC.

(9) The Council's proposed challenge is on the grounds summarised at the beginning of this section.

(10) The Secretary of State was under a duty to state the reasons for his decision. He has failed to provide reasons, and/or sufficient reasons for his decision under section 10 of the 1999 Act, and has therefore acted unlawfully. The Secretary of State should have addressed the questions posed in the Council's letter dated 10 April 2014 (see at (5) above). He has not done so. In the premises, (a) the Secretary of State has unlawfully failed to identify the allegations which caused him to exercise his powers; (b) the Secretary of State has unlawfully failed to identify or provide copies of relevant documents which he took into account when taking his decision; (c) the Secretary of State has unlawfully failed to state reasons which explain the connection between the four matters identified in his letter dated 4 April 2014 and the

purpose for which an inspection may be undertaken in exercise of the section 10 powers; and (d) the Secretary of State has unlawfully failed to provide reasons which explain the basis for the decision (referred to in his letter dated 14 May 2014) for a “*wide-ranging*” inspection concerning any matter relating to arrangements made by the Council for its governance.

(11) In the absence of any sufficient explanation of the reasons for the Secretary of State’s decision, the Council contends as follows. (a) The decision is unlawful because there is no rational basis for it. (b) The section 10 power is not a power to inspect or investigate at large. It is a power to inspect in relation to compliance with obligations arising under Part 1 of the 1999 Act. There is no relevant and rational connection between the four matters and the purpose for which the section 10 power to inspect may be used. (c) The Secretary of State has now made it clear that his decision is that there should be a “*wide-ranging*” inspection concerning any matter relating to arrangements made by the Council for its governance. There is no rational basis for a decision to undertake an inspection of that nature and scope.

## **6. Details of the action that the Secretary of State is expected to take.**

(1) The Secretary of State should, forthwith, make good his failure to state the reasons for his decision, and should address the matters summarised at (10)(a) – (d) above.

(2) The Secretary of State should direct that the inspection presently in progress should cease. He should agree to meet the costs of the inspection to date (i.e. the costs of the inspectors which will otherwise fall on the Council by reason of section 12 of the 1999 Act).

(3) In the event that proceedings are issued, as presently advised the Council is minded to seek the following orders: (a) interim relief in the form of an injunction preventing the continuation of the inspection pending determination of the application for judicial review; (b) a mandatory order requiring the Secretary of State to provide

reasons for his decision, and without prejudice to the generality of the foregoing, to address the matters summarised at (10)(a) – (d) above; (c) an order quashing the Secretary of State’s decision under section 10 of the 1999 Act; (d) an order requiring the Secretary of State to indemnify the Council in respect of any inspection fees that may be imposed on it pursuant to section 12 of the 1999 Act; (e) an order for compensation in respect of the loss and damage caused to the Council consequent upon the Secretary of State’s exercise of his section 10 powers.

**7. Details of legal advisers dealing with this claim**

As stated above, I act on behalf of the Council in respect of this claim. Please address all correspondence to me using the address and reference details stated at 2 and 3 above.

**8. Details of any interested parties**

The Council has not identified any interested parties

**9. Details of information sought; documents requested**

The Secretary of State is requested to provide the following information and documents.

(a) Identify the “*certain documents*” referred to in the letter dated 4 April 2014 and to provide copies of those documents, together with copies of all other documents relied on for the purpose of the decision under section 10 of the 1999 Act.

(b) Identify the allegations of “*poor governance*” and “*possible fraud*” and/or any other allegation which he had taken into account when deciding to appoint the inspectors, and/or caused him to take the decision he did in exercise of his powers under section 10 of the 1999 Act.



(c) Identify the matters referred to in the BBC Panorama programme which he had taken into account.

(d) State how the inspection into the four matters specified in the 4 April 2014 letter corresponds to the Secretary of State's power under section 10 of the 1999 Act.

(e) State the reasons which explain the basis for the decision (referred to in his letter dated 14 May 2014) for a "wide-ranging" inspection concerning any matter relating to arrangements made by the Council for its governance.

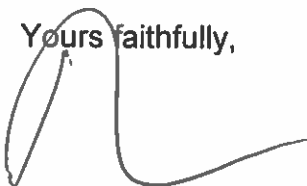
**10. The address for reply and for service of court documents**

The London Borough of Tower Hamlets  
6<sup>th</sup> Floor Legal Services, 5 Mulberry Place, London, E14 2BJ  
DX 42656 Isle of Dogs  
Reference: STC.58/DG

**11. Proposed date for reply to this letter**

A response to this letter is requested within 14 days of the date of this letter.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Galpin', with a long horizontal flourish extending to the right.

David Galpin  
**Service Head Legal Services**

From: Meic Sullivan-Gould  
Sent: 10 June 2014 13:11  
To: Paul Rowsell  
Subject: Tower Hamlets Best Value Inspection - Personal, Private and Confidential

Paul

You may not be able to respond to this given the Letter Before Action that the Council's Solicitor has sent to the Department but, on a "without prejudice" basis, can I draw attention to a discrepancy between your report of what the Panorama programme was saying and what the Panorama Reporter (John Ware) is now publicly saying?

You may not be aware of the "Trial by Jeory" blogsite that Ted Jeory (of Express Newspapers) runs, apparently as a hobby, but John Ware made a "Guest Post" on that site on 29 May 2014: <http://trialbyjeory.wordpress.com/2014/05/29/guest-post-by-panoramas-john-ware-poison-might-be-drawn-with-more-scrupulous-regard-to-truth/> that included the following clarification:

**““As for the rest, police found ‘no new credible evidence’ of fraud.....”**

As for the “rest”? Once again, as Mr Zaidi knows, we made no allegation against the Mayor of criminality or fraud in the programme. Like the Mayor and the Council, Mr Zaidi has conflated the Metropolitan Police statement of 16 April that there was “no credible evidence” of fraud or criminality in Panorama files (which the DCLG sent to the Met Police) with the quite separate contents of the broadcast Panorama programme.

The Police statement was not, as the Council's misleading statement said, “in relation to recent allegations made in the BBC Panorama programme”, thereby quite wrongly implying that the Police had cleared the Mayor of fraud allegations “in the Panorama programme”.

The Mayor, the Council and Mr Zaidi know perfectly well that no allegations of fraud or of criminality were made against the Mayor personally by the BBC, nor in our files.

However, as the council also very well knew, Panorama's files DID contain evidence that raised allegations of fraud in respect of a youth organisation that had been grant funded. The reason the Police did not attribute this to Panorama was because the council – not Panorama – had referred the case to the CID at Tower Hamlets.”

Your letter to me of 14 May (para 8) suggests that the BBC programme contained “significant allegations...about...possible fraud”. I know you to be a careful man and guarded in whatever you say publicly but you and Mr Ware cannot be both correct on this issue!

You will know (from the email that I sent you before the Panorama programme was broadcast – attached again) that in my view the Council had nothing to hide after my review of the issues when I arrived in January. There is huge concern here (as you will know from my colleague Chris Holmes' letter on the issue) about the costs of the audit. We now have 24 PwC forensic accountants who have been accredited to be in the building in connection with the audit: if they are looking for evidence of the frauds that the Secretary of State

believes that Panorama had exposed then even John Ware will say that they are wasting their time!

I recognise that you may have been put in an invidious position on this matter but it may be that John Ware has said one thing to you on which the Department has relied but which he is now repudiating in public and that could leave the Department without cover for an allegation that seems to have been in the Secretary of State's mind.

Both our organisations may be played off against one another here. If you think that that might be the case I will happily discuss how we can extricate them.

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
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London Borough of Tower Hamlets  
Mulberry Place (AH)  
PO Box 55739  
5 Clove Crescent  
London  
E14 2BG



Department for  
Communities and  
Local Government

Mr David Galpin  
Service Head Legal Services  
London Borough of Tower Hamlets  
5 Mulberry Place  
London  
E14 2BJ  
DX 42656 Isle of Dogs  
By email:  
[david.galpin@towerhamlets.gov.uk](mailto:david.galpin@towerhamlets.gov.uk)

19 June 2014

Your ref: STC.58/DG

Dear Mr Galpin

**Re: Proposed claim for judicial review; letter before claim**

1. We refer to your letter dated 2 June 2014. Because that letter was sent to an incorrect e-mail address, it was only received by us in hard copy on 5 June 2014, and consequently you have since agreed that we may reply to you by 19 June. In accordance with the pre-action protocol for judicial review, this is our response to your letter before claim.

***The proposed claimant***

2. The proposed claimant is the London Borough of Tower Hamlets ("the Council"), Legal Services, 6<sup>th</sup> Floor, 5 Mulberry Place, London E14 2BJ, DX 42656 Isle of Dogs

***The proposed defendant***

3. The proposed Defendant is the Secretary of State for Communities and Local Government.

Paul Rowsell  
Deputy Director - Democracy  
Department for Communities and Local Government  
3/J1, Eland House  
Bressenden Place  
London SW1E 5DU

Tel 0303 44 42568

Email [paul.rowsell@communities.gsi.gov.uk](mailto:paul.rowsell@communities.gsi.gov.uk)

### ***Reference details***

4. This matter is being dealt with by myself, Paul Rowsell, at the address on the first page of this letter.

### ***Details of the matter being challenged***

5. You are proposing to challenge the Secretary of State's decision of 4 April 2014 to appoint PricewaterhouseCoopers ("PWC") to carry out an inspection of the Council pursuant to s 10 of the Local Government Act 1999 ("the 1999 Act").
6. Although your letter purports to challenge this decision "as further stated" in my letter dated 14 May 2014 to your Council, for the reasons set out below, we do not accept that the letter of 14 May 2014 sets out anything materially different from the Secretary of State's letters of 4 April 2014.
7. Your letter sets out various proposed challenges to the Secretary of State's decision. Insofar as we understand them, they can be summarised as follows:
  - (1) The Secretary of State's decision was irrational. In particular:
    - (a) there is no rational connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act;
    - (b) there is no rational basis for conducting the type of "wide-ranging" inspection referred to in the Secretary of State's letter of 14 May 2014.
  - (2) The Secretary of State unlawfully failed to provide reasons (or, alternatively, sufficient reasons) for his decision. In particular:
    - (a) the Secretary of State did not identify the documents referred to in his letter of 4 April 2014 or provide copies of them;

- (b) the Secretary of State did not identify the particular allegations of poor governance and possible fraud that he took into account when reaching his decision;
- (c) the Secretary of State did not identify the particular matters referred to in the BBC Panorama programme that he took into account when reaching his decision;
- (d) the Secretary of State did not identify the connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act.

- (3) The Secretary of State has unlawfully failed to provide to the Council the information and documents that it requested in its letter of 10 April 2014.

***Response to the proposed challenge***

- 8. At the outset it is important to understand the scheme of Part I of the 1999 Act, and the place of s 10 within that scheme.
- 9. Section 10 of the 1999 Act is part of a legislative scheme that enables the Secretary of State to address failings in a local authority, specifically failings of an authority in its duty under s 3 of the 1999 Act to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (“the best value duty”). The legislative scheme involves a power to commission an inspection of a local authority (pursuant to s 10) and powers either to require an authority to take certain actions or to require that specified functions of the authority are exercised by the Secretary of State or by a person nominated by him (pursuant to s 15).
- 10. The powers to intervene pursuant to s 15 of the 1999 Act arise where the Secretary of State is satisfied that an authority is failing to comply

with its best value duty. Except in cases of urgency, before intervening in a local authority the Secretary of State is required to give the authority an opportunity to make representations, including representations about any inspection report as a result of which the direction is proposed (see s 15(9)).

11. An inspection is, therefore, a preliminary step that is designed to inform a subsequent decision as to whether there should be an intervention. There are a number of important features to note about this preliminary step. First, it is part of the oversight function that Parliament has conferred on the Secretary of State with a view to ensuring that the interests of the residents of a local authority's area are safeguarded and the public purse is protected. Second, Parliament has not prescribed any preconditions that must be met before the Secretary of State may decide to commission an inspection and nor has it prescribed the matters to which the Secretary of State may (or may not) have regard when taking such a decision. Third, Parliament has not prescribed any particular procedural steps that must be taken in relation to such a decision. In particular, Parliament has not, unlike under s 15 of the 1999 Act, required that a local authority have an opportunity to make representations. Fourth, the purpose of an inspection is not to prove or disprove specific allegations, but is to ascertain whether or not a local authority has complied with the best value duty. Fifth, an inspection is embarked upon in order to obtain the full facts of a case, rather than because a particular view of the facts has already been reached. Sixth, it is a process that (in appropriate cases) leads to further stages where, if intervention is contemplated, there is specific provision for the authority concerned both to be provided with the information on the basis of which that intervention is proposed and to make representations on it.
12. In light of the above, it is clear that Parliament intended that the Secretary of State would be entitled to commission an inspection under s 10 of the 1999 Act in circumstances where significant allegations

have been raised, publicly or otherwise, which cast doubt on an authority's compliance with its best value duty. In such circumstances an inspection needs to be sufficiently wide and comprehensive to provide, as the case may be, either a robust assurance that in fact there is compliance with the best value duty, or both to identify any areas of non-compliance and (if the inspector considers it appropriate to do so) to enable a recommendation to be made to the Secretary of State as to what intervention would be appropriate (see s 13(2) of the 1999 Act).

13. Where there is a failure of governance, poor financial management, or incidents of fraud at a local authority, it is almost inevitable that appropriate arrangements have not been made to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Governance failure, poor financial management, and incidents of fraud are typically paradigm manifestations of an authority's failure to comply with its best value duty. Accordingly, where it is alleged that a local authority has suffered from poor governance, poor financial management and/or fraud, that ordinarily suggests that there has been a failure on the part of the local authority to comply with its best value duty.

*(1) Alleged irrationality*

14. The first ground on which you allege irrationality is that there is, you say, no rational connection between the four matters that the Secretary of State asked PWC initially to deal with on their inspection and the purpose of the power conferred by s 10 of the 1999 Act.
15. The four matters that were mentioned in the Secretary of State's letters to the Council and PWC dated 4 April 2014 are: (i) the Council's payments of grants and connected decisions, (ii) the transfer of property by the Council to third parties, (iii) the Council's spending



decisions in relation to publicity, and (iv) the Council's processes and practices for entering into contracts.

16. We confess to being somewhat surprised that you should suggest that there is no rational connection between these four matters and the purpose of the power conferred by s 10 of the 1999 Act. As explained above, the purpose of the s 10 power is to inform a subsequent decision as to whether there should be an intervention in a local authority on the ground that the authority has failed to comply with the best value duty. Again as explained above, the best value duty is a duty to make arrangements to secure continuous improvement in the way in which an authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
17. The four matters referred to above all relate to important aspects of the Council's financial management. In our view, it is obvious that if the Council is failing in such important aspects of its financial management, that could (at the very least) suggest that the Council is failing to comply with its best value duty. Accordingly, it is obvious that the report of an inspection which addresses those matters is likely to be relevant to any decision by the Secretary of State to intervene (or not to intervene) in the Council.
18. In this context, we note that your letter provides absolutely no explanation of why you say that there is no rational connection between the four matters referred to above and the decision to commission an inspection. Not only does this constitute a failure to comply with the letter and the spirit of the pre-action protocol, it also suggests to us that you have no such explanation. For the reasons set out above, we find this unsurprising.
19. The second ground on which you allege irrationality is that, you say, there is no rational basis for commissioning the type of "wide-ranging" inspection referred in my letter to the Council dated 14 May 2014.

Before responding to this ground, it is important to address what appears to be a misapprehension evidenced by your letter. You seem to be under the impression that the type of inspection referred to in my letter of 14 May 2014 is somehow different to that referred to in the Secretary of State's letters of 4 April 2014. If you are under any such impression, it is mistaken. The letter to PWC of 4 April 2014 is clear that the inspection is to relate to "the [Council's] functions in respect of governance, particularly under s 151 of the Local Government Act 1972". Accordingly, from the outset, the Secretary of State made it clear that the inspection was to relate to the Council's functions in respect of governance. There was nothing in my letter of 14 May 2014 that was inconsistent with this, or which purported to expand the scope of the inspection as set out in the letters of 4 April 2014. The expression "wide-ranging" that I used in my letter is merely an apt adjective to describe what has been clear from the outset.

20. Turning to the substance of this second ground, your argument appears to be that there is no rational basis for deciding to commission an inspection into the Council's functions in respect of governance generally. Again, we note that in your letter you wholly fail to put forward a positive case to that effect. This is not surprising. As was set out in the Secretary of State's letter to the Council dated 4 April 2014, the Secretary of State had received documents which PWC advised merited further investigation to establish whether there has been, amongst other things, poor governance at the Council and he had had regard to the allegations made by a BBC Panorama programme that, amongst other things, there were governance failures at the Council. The PWC review of the documents stated the following:

"If the allegations made by the sources were well-founded (and, as stated above, we are not currently in a position to evaluate this either way), then this would indicate the existence of potential evidence of:

- Conflicts of interest;
- Abuse of position, possible fraud; and/or

- Failures of governance.

In the light of the above, we would recommend that appropriate further investigations be carried out to establish whether or not in fact the allegations have any foundation.”

21. If there has been poor governance at the Council, that could (at the very least) suggest that the Council is failing to comply with its best value duty. Accordingly, it is obvious that the report of an inspection which addresses those matters is likely to be relevant to any decision by the Secretary of State to intervene (or not to intervene) in the Council.
22. It follows that we reject your contention that the Secretary of State’s decision is irrational. Indeed, we consider that your contention has an air of unreality to it. You are, in effect, arguing that where the Secretary of State receives information suggesting that there might have been governance failures, poor financial management and fraud at a local authority, with the potential consequent detriment to the residents of the local authority’s area and the public purse that might follow from such failings, he cannot rationally commission an inspection to investigate those matters further. We consider that a court would regard such an argument as totally without merit.

*(2) Alleged failure to provide reasons*

23. The unstated premise of your proposed reasons challenge is that the Secretary of State was under a duty to give detailed reasons for his decision to commission an inspection under s 10 of the 1999 Act. We note that you cite no legal authority for such a proposition. Self-evidently, without knowing the legal basis for the various contentions that you make, we are in some difficulty in responding to them. If, in proper compliance with the Pre-Action Protocol for Judicial Review, you make good this omission, we will of course endeavour to respond further.

24. For the time being, however, even if for the sake of argument one assumes that the Secretary of State was under common law duty to give reasons (Parliament not having imposed any such duty in s 10 of the 1999 Act), bearing in mind the points made in paragraphs 8 to 13 above, we cannot see that such a duty would require the Secretary of State to do anything more than state briefly why he had commissioned an investigation. If such a duty applied, we consider that the Secretary of State has discharged it, both in his letter to the Council of 4 April 2014 and in subsequent correspondence.
25. In particular, in the Secretary of State's letter to the Council dated 4 April 2014, the Secretary of State clearly stated that he was commissioning an inspection under s 10 of the 1999 Act in light of certain documents received by him, PWC's review of those documents, and the BBC Panorama programme, which (as noted above) together raised allegations of poor governance, poor financial management and possible fraud. As explained above, it is obvious that those matters referred to in the Secretary of State's letter, if established, could suggest that the Council is failing to comply with its best value duty, and it was clearly rational for the Secretary of State to decide to commission an investigation on this basis. This was also made clear in my letter to the Council of 14 May 2014:

"Serious allegations have been made about governance at Tower Hamlets. A well-respected audit firm has recommended further investigation about certain allegations. In these circumstances, serious doubt has been cast on whether your Council is compliant with its 1999 Act duties in relation to the exercise of its governance functions. Accordingly, the Secretary of State believes an inspection is necessary to provide either assurance of compliance or to identify matters of non-compliance, and possibly appropriate remedial action. He is clear that without such an inspection the public could have no

continuing confidence that your Council has in place arrangements to ensure it delivers value for money in its use of public resources.”

26. Accordingly, we do not consider that anything more was required by way of reasons. For the avoidance of doubt, we do not consider that the Secretary of State was required to identify particular documents that he relied upon when reaching his decision, particularly when those documents were provided on a confidential basis and where their release might compromise the inspection and/or any future police investigation. Again, we note that you have put forward no legal basis to support your contention to the contrary.

*(3) Alleged failure to provide information and documents*

27. Insofar as you allege that the Secretary of State has acted unlawfully by not providing the Council with information and documents, you have entirely failed to identify the source of the duty to provide the information and documents upon which you rely. Unless and until you do so, we are simply not in a position to respond to this ground of challenge. In any event, we note that this appears to be a criticism of the Secretary of State's actions *after* the date of the decision under challenge, and therefore we do not understand how it could possibly form a basis for quashing the decision itself.

*Delay*

28. We note that almost two months elapsed between the Secretary of State's letters of 4 April 2014 and your letter before claim, during which time the PWC inspection has been ongoing, and the inspections is now in a number of ways well advanced. We also note that there is no explanation for this delay in your letter. Accordingly, should you bring a claim for judicial review of the decision of 4 April 2014, we reserve the right to argue that you have not acted promptly as required by CPR 54.5.

*Conclusion*

29. For the reasons set out above, we do not consider that any of your proposed grounds of challenge have merit, and we do not propose to take the action sought in your letter.
30. Finally, we wish to draw your attention to a letter dated 2 June 2014 from the Mayor of the Council to the Secretary of State. In that letter, the Mayor states that he “welcomes” the inspection and hopes that PWC will provide a report within the time frame originally envisaged. We are unable to reconcile this sentiment with your threat to claim judicial review of the Secretary of State’s decision to commission the inspection and your threat to seek an injunction requiring that the inspection should halt, and we are therefore left somewhat confused as to the Council’s position.

***Details of any interested parties***

31. We do not consider that there are any parties that should be named as interested parties to your proposed claim.

***Address for further correspondence and service of court documents.***

32. Please send any further correspondence on this matter to me at the address on the first page of this letter. Any court documents should be served on:

The Treasury Solicitor (for the attention of Neera Ghajja)  
One Kemble Street  
London WC2B 4TS

Yours sincerely



**Paul Rowsell**



**Claimant – London Borough of Tower Hamlets**

**Witness Statement of Robin Beattie**

**Made: 1 July 2014**

**IN THE HIGH COURT OF JUSTICE**  
**QUEEN'S BENCH DIVISION**  
**ADMINISTRATIVE COURT**

**B E T W E E N:**

**THE MAYOR AND THE BURGESSES OF  
THE LONDON BOROUGH OF TOWER HAMLETS**

**Claimant**

**- and -**

**SECRETARY OF STATE FOR  
COMMUNITITES AND LOCAL GOVERNMENT**

**Defendant**

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**WITNESS STATEMENT OF ROBIN BEATTIE**

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I, **ROBIN BEATTIE**, of the London Borough of Tower Hamlets, Mulberry Place, 5 Clove Crescent, London, E14 2BG, will say as follows:

1. I am the Service Head Strategy and Programmes for the Communities, Localities and Culture Directorate of the London Borough of Tower Hamlets ("the Council"). This statement is made in support of the Council's application for judicial review of the decision of the Secretary of State for Communities and Local Government



("the Secretary of State") to appoint inspectors to undertake an inspection of the Council.

2. I have been in continuous local government service since 1982 to the present. I qualified as a Chartered Town Planner at the London Borough of Greenwich and secured Membership of the Royal Town Planning Institute at that time. I remained in Town Planning engaged in increasingly senior roles within Greenwich and subsequently within Tower Hamlets Planning Department working on major regeneration projects. In 1992 I secured a Masters Degree in Business Administration. In 1996 I left Planning and secured a position working directly to the-then Director of Environmental Services on library transformation and best value and led on the Library and Lifelong Learning transformation programme for five years as well as the best value operational transformation projects for three. My best value work has centred on a wide range of front line services to establish best value practices and assist them in completing best value reviews. I have worked as senior strategist and business improvement manager since that period and am responsible for a wide range of support services to 28 different front line services. I have considerable experience of managing complex and large scale transformation programmes including award winning experience of managing Olympic Risks for the 2012 London Olympic period. Many of the projects I have led on or services I have managed have broken new ground or have been cited as national or international exemplars.

## **Introduction**

3. The inspectors, Pricewaterhouse Coopers LLP ("PwC"), have deployed up to twenty four Forensic Accountants at the Council since the announcement of the inspection on 4 April 2014. PwC have spent more than three months studying the Council's records and interviewing staff and have been provided with over 10 million items of data, at their request.

4. This statement will address the scale and the scope of the inspection undertaken by the inspectors.

### **My Role in the Inspection**

5. On 4 April 2014 the Secretary of State appointed PwC as government inspectors under section 10 of the Local Government Act 1999 ("the Decision"). Section 10, as amended, allows the Secretary of State to appoint inspectors to consider whether a local authority has complied with its best value duties under Part I of the 1999 Act.
6. On 4 April the Council appointed me as the Technical Link Officer and Single Point of Contact ("SPOC") for PwC and tasked me with facilitating the inspection and supporting the PwC inspection team. This role has involved:
  - (a) close operational liaison with the inspection team;
  - (b) coordination of information gathering;
  - (c) the development of systems and processes to ensure that complex data requests were properly logged, tracked, followed up and recorded by the Council;
  - (d) trouble shooting;
  - (e) technical clarification from both parties;
  - (f) linking with Senior Management;
  - (g) establishing feedback and evaluation;
  - (h) liaising with the Monitoring Officer on matters specific to the legality of requests made; and
  - (i) reporting to the Head of Paid Service.
7. My role has not been passive but has centred on establishing a sound and productive working relationship with the inspection team. It has given me a unique insight in to the process conducted by PwC, the nature and the scale of the requests that they have made, the level of understanding and knowledge of

the organisational environment within which they operating and seeking to evaluate, the extent of their objectivity and the decisions that they have taken at key points in the process about how they conduct themselves.

8. My background in programme management and experience of senior management including, but not limited to, best value has provided me with the ability to assess PwC's approach to the technical tasks presented by their brief as far as it was discernable to me.

### **Initial Involvement with PwC**

9. On the day of my appointment as the SPOC it was made clear to me by members of the Corporate Management Team ("CMT") at the Council that the Mayor welcomed the inspection as a way of disproving political allegations of fraud and corruption and the allegations set out by a BBC Panorama programme aired shortly beforehand. My instructions have always been to support the inspection to a conclusion as efficiently as possible. At this point in proceedings the focus was not on the lawfulness of the inspection, but even as the Council's concerns about the legality of the inspection grew as a result of some of the requests being made by PwC, my instructions have never changed.
10. The inspection team intervention was timed for Friday 4 April 2014 and we were informed on that day by the inspectors that all information requested by them needed to be supplied to them within three days of the request. We were informed that this included weekends and non-working days and were presented with an initial set of data and information requests. This was in a letter dated 4 April to the Head of Paid Service from Mr Kenyon at PwC, and I understand it is exhibited to the statement of Mr Sullivan-Gould.
11. Our initial efforts in the first few days and weeks were focused on organising the systems and processes to manage a clearing house operation that allowed for

the accurate logging of requests, coordination of the inputs from a wide range of different services, tracking of progress and controlled transfer of data and information items to PwC. I also needed to arrange accommodation, security clearance, IT and phone access for the PwC team on site. During this period I agreed a mirror logging process where both parties kept an identical record of the dates of PwC requests, dates where requests for clarification from the Council were made and when data and information was provided to PwC. These independent logs were reconciled throughout most of the inspection period on a daily basis via a daily meeting with the onsite PwC team. This later changed to a twice weekly meeting. This incorporated a process for agreeing when individual requests were completed.

12. We were informed that we should expect an inspection team of six to eight but that this may grow subject to the nature of the investigation. Over the period of the inspection the team grew to 24 inspectors. In discussions with team members it became apparent that they were specialist forensic auditors with backgrounds in financial services, property and IT, using techniques developed to investigate complex fraud. The team had limited or no expertise in local government or best value inspections. Time was taken up explaining basic statutory roles and responsibilities such as the Head of Paid Service and the Monitoring Officer, as well as explaining the Council's constitution and what a directly elected Mayor is.

13. Information requests were consistently lodged where the inspectors had no understanding of the size or complexity of the request when making it, or had already been given the information but didn't realise. These included:

- (a) a complete list of all contracts between £10k and £24k,
- (b) a complete list of all systems and data bases held across the council,
- (c) high volume property samples, and
- (d) all monitoring and evaluation material for grants.

It has become increasingly apparent that the team has been set up for its forensic investigative skills rather than its grounding in the highly complex field of local government. As any conclusions must, to be reasonable and proportionate, evaluate best value in the Council in a comparative context with other local authorities and as the PwC team has so little experience of best value in local government I am unclear how such comparisons can be accurately and fairly made.

### **PwC's Lack of a Protocol for Interviews**

14. The Head of Paid Service, Stephen Halsey, informed me within the first week that a Conservative Councillor had informed him that they were in contact with the PwC team. Shortly thereafter Mr Halsey received an approach by members of the Labour Group that they would like to meet formally with the inspectors to raise issues they had and to understand the nature of the inspection.
15. Early discussions with the PwC team made it clear that they would want to set up a rolling programme of interviews with Council officers and the Mayor.
16. On the 8<sup>th</sup> April 2014 I wrote to Angus Brown [1-3], one of the lead Inspectors from PwC, asking PwC to forward to us their standard engagement protocol covering the following issues:
  - (a) Formal requests for data disclosure, timescales, communication channels, sign off, recording, validation and challenge.
  - (b) The interview type where it would be jointly agreed as appropriate if the interviewee were allowed to be accompanied by someone (and who) – e.g. friend, line manager, Trade Union representative, personal legal advisor, as well as the process by which this would be agreed.
  - (c) Under what circumstances, if any, interview questions would be given in advance.

- (d) The use of documents as the basis for different types of interview. Circumstances where these would be furnished in advance and associated timescales.
- (e) The type of interview where staff responses will be formally recorded in any format and the process you intend to use to give the member of staff the opportunity to agree this as an accurate record.
- (f) A standard set of statements making staff aware of how information provided by them may be used and applied.
- (g) The circumstances (in broad terms) where it is and is not appropriate for officer opinion rather than points of fact or evidence based inquiry to be sought by PwC. Many staff are in politically restricted posts operating in a challenging political environment.
- (h) Standard statement on the confidentiality of the process, interview, source and any rights and obligations on individuals beyond the legal notice served.
- (i) The implications and mechanism for dealing with any individual who fails to cooperate with the enquiries and clarity on how failure to cooperate will be defined (the process governing it etc).

17. I offered to meet the following day to talk it through and confirmed that we would continue to progress the review whilst these issues were clarified. On the same day Angus Brown replied by stating that he would revert back to me on the request [1].

18. It transpired over the following days and weeks that PwC did not have such a standard protocol and in an e-mail dated 9<sup>th</sup> April 2014 I wrote to PwC explaining that, if PwC did not have such a protocol the Council was effectively without any guidance regarding how to advise staff called to interview by them [4-5]. This would need to be resolved quickly.

19. In a telephone conversation with Angus Brown of the same date it was made clear that no engagement protocol existed and PwC were not minded to bring one forward. They considered any such arrangement to be an unnecessary constriction on their ability to conduct the inspection. I explained that this was not the intention but the Council would reasonably be expected to have in place with the inspection team a guiding set of principles that make it clear how we could both facilitate the inspection and fulfil our duties to staff as a responsible employer. Angus Brown stated that he would put something in writing that would clarify the statutory basis of the engagement but that that this would probably fall far short of the protocol I was describing. This arrived on the following day (11 April 2014) [6-9] and in a series of exchanges between this date and 9 May attempts were made to reach a basic transparent agreement regarding the way in which PwC would normally seek to engage with both Officers and Members.

20. With concerns growing that there was no formal and transparent structure being brought forward by PwC to engage with the local political groups making up the Full Council I wrote to Angus Brown by e-mail on 16 April 2014 suggesting that the engagement protocol still under discussion with them might provide a vehicle to give some reassurance to the Council that the inspection was politically neutral [10-17]. I stated:

*"There is a strong and legitimate cross party political expectation and desire to see formal arrangements established early on that creates a place for political engagement within the process of the audit. As we are close to an election I would suggest that you may want to use the protocol to address that expectation whilst at the same time through it provide a control to counter the unlikely event of opportunist politicking that might waste your time."*

21. The CMT considered it important that the inspection was seen to be conducted in a way that was free from political bias and incorporate a process and commitment to engage with all local political council groups. This could be done easily without hindering individual approaches from elected members and was considered particularly important given that a representative of a single local party (Conservative) had confirmed to the Head of Paid Service that they had

established contact with the inspection team and were raising issues of concern with them. There is nothing problematic with this provided all political parties have equal access to the inspection team and that there was sufficient transparency in the process of engagement to demonstrate to all parties that the rules and level of access were the same for all. The concern of officers such as myself was that other groups were approaching Council officers to ask how PwC were to engage with them, which confirmed that they did not have access to the PwC team and were unclear how to make that contact. A draft engagement protocol addressing this point and others that had yet to be addressed by PwC was attached for their consideration.

22. On 23<sup>rd</sup> April 2014 Angus Brown replied with a heavily edited and much reduced draft protocol that removed all of the suggestions specific to open and structured engagement with local political parties making up the Full Council. The justification given was that this and the material constituting the other deletions made could not be supported as PwC believed they went beyond the statutory framework or might represent a limitation on their ability to conduct the inspection in an open and honest way [18-24].

23. This revised document and the reasons given for the deletions were reviewed by members of CMT and considered entirely inadequate. It left staff and the Council as the employer largely in the dark as to how the inspection was to be conducted, what would be expected of staff called to interview and the rights of those members of staff in interview situations. Further it would leave a vacuum whereby PwC could not demonstrate, if challenged, that they were acting in a politically neutral way and not simply investigating lines of inquiry provided by a single political interest. PwC made it very clear in a further telephone conversation with Will Kenyon that they were disinclined to move their position. In a further attempt to resolve the matter in a way that would facilitate a fair inspection the Interim Monitoring Officer, Mr Sullivan-Gould, wrote to Angus Brown of PwC on 7 May 2014 suggesting that the old Audit Commission Code of Practice might be a useful starting point to fill this operational void [63]. Mr



Sullivan-Gould suggested a meeting to discuss the need for an engagement protocol. At no time did the Council prevent interviews taking place during these discussions but allowed them with misgivings that PwC had given inadequate consideration to the rights of Council officers and to the reasonable requirements of the Council as an employer. A meeting did take place at 10am on Friday 9 May but was largely taken up with addressing other more pressing legal issues (see below) and no agreement on protocols was reached as a result.

24. In view of the gulf that existed between the two parties on the need for a clear guiding framework for engagement and given that we had made the risks associated with the lack of such an engagement protocol clear to PwC, this matter remained unresolved throughout the inspection. As predicted, this led to further concerns later in the inspection, which I deal with below.

#### **Large Data Requests**

25. At the end of April and beginning of May a series of exceptionally large data requests were received in quick succession. Between the 28 April and 2 May PWC required the following:

- i. A complete download of the entire financial system of the Council (Agresso) for the last financial year. This comprised every single financial transaction at every level of the organisation (running into millions of transactions) in a format that replicated the systems structures and was capable of being interrogated at every system level.
- ii. A complete download of the Council's entire financial system for the 3 years preceding this, comprising many more millions of financial transactions and consisting of every single financial transaction made by the Council over that period. Again this was required in a format that replicated the systems structures and was capable of being interrogated at every system level.

- iii. All e-mails, deleted items, calendar entries, notes and content of shared or group mail boxes for 27 selected Council Members and 47 Council officers covering the period 24 October 2010 to 4 April 2014.
- iv. For the same political and officer groups the exact forensic images of Council-provided laptop computers and full download of mobile devices (Blackberrys, iPhone, Android phones, USB drives, iPads and all user data from Council devices including deleted items) covering the same period.
- v. For the same political and officer groups and for the same period all U Drive data. The U Drive is the technical reference to the non-networked drive featured on some council computers where data can still be stored.

26. These requests were enormous in practical terms, comprising tens of millions of data entries as well as being highly complex and very expensive to achieve for the Council. The technical extent of the request can be demonstrated by reference to the instructions to the Council provided by Denzil Coelho of PwC on 6 May 2014 to the Council's IT lead officer Shirley Hamilton specific to forensic images of mobile devices [47-62]. They were not requests that a Council undergoing a best value inspection would historically have expected to receive and suggested that this was not a best value inspection but rather an unstructured fraud investigation presented as a best value inspection.

27. Furthermore the requests for e-mails and forensic images and downloads of mobile devices were specific to a limited number of elected members and gave rise to the clear potential risk of the appearance of political bias. Only Independent, Labour and the single Liberal Democrat Councillors had been targeted by this request. None of the Conservative Members were included on the list issued by PwC. No explanation was provided for this, but it highlighted officer concerns that a continuing lack of any open framework for local political engagement would leave the process open to accusations of political bias. I understand that this concern was expressed directly to Mr Kenyon by Mr Halsey

but am unclear exactly when. I believe Mr Kenyon stated to Mr Halsey that the request was simply based on live lines of enquiry the basis of which he was not prepared to share. I have seen that Mr Sullivan-Gould raised the matter in his letter to the Secretary of State on 8 May 2014, which is dealt with in Mr Sullivan-Gould's statement.

### **The Council Engages with the Requests**

28. It was at this point that discussions were had between CMT members, the Interim Monitoring Officer and I. It was agreed that there were now a number of significant requests with no obvious link to the Local Government Act 1999, that raised at least the appearance of a degree of political bias and that appeared disproportionate to a local authority best value review regarding size, complexity and cost. As a result, an internal checking system should be put in place to ensure that all new information or data requests from PwC should be cleared by the Monitoring Officer. This should be brought about with immediate effect. The Monitoring Officer was of the view that further clarification of these requests were required in order to establish that they constituted a lawful requirement under the powers used by the Secretary of State to undertake the review and that they were proportionate to a best value review.

29. The Monitoring Officer, in part via my team and in part via direct contact with PwC, therefore requested further clarification of the legal basis upon which all of the above requests were made before the data could be made available to PwC. Assuming that they would be able to do so easily and not wishing to delay the inspection, Council officers continued to remain engaged with PwC at a technical level and to work on overcoming the considerable technical challenges associated with these requests. As an example, the email request alone required our IT contractors to bring in expertise from other areas of the country to advise them. Where we were able the material was collated and stored awaiting resolution of the legal issues to reduce any delay to the inspection.

30. In the first week of May therefore I brought about a clearing system for all new requests with the Monitoring Officer. In order not to delay the inspection unduly the Monitoring Officer undertook to review all new requests on the day received subject to these requests being sent to us by 4pm each day. On receipt my team forwarded the requests immediately and clearance or a request for clarification was confirmed to PwC either on the day of receipt or the following day.

31. The first request for clarification was specific to the Agresso download request where the Monitoring Officer wrote to Denzil Coelho on 1 May 2014 asking for assurances that the material would be handled correctly specific to the Data Protection Act 1998 [43-44]. This was an area the Council had suggested was addressed by the proposed engagement protocol but reference to which had been struck out by PwC. The PwC response to the request lacked a clear understanding of the role of the Monitoring Officer who was warned via a telephone conversation with Angus Brown that he may face prosecution if he obstructed the inspection.

32. By e-mail of the 2 May 2014 [45-46] from me to Mr Brown he was apprised of a meeting between Will Kenyon and Stephen Halsey that touched on this matter, making it clear that as a result of personal assurances provided to Mr Halsey the Agresso material would be released with immediate effect but also explaining to Angus Brown the role of the Monitoring Officer (on leave at that time) and the respect that that statutory role demanded from PwC staff. It also made it clear that Mr Kenyon had also agreed to a further meeting at the request of Mr Halsey to seek to resolve the concerns of the Monitoring Officer on all other counts where information requests had been set aside pending clarification that they were in fact lawful.

### **9 May 2014 Meeting**

33. This meeting took place between Mr Kenyon, Mr Brown, the Interim Monitoring Officer Mr Sullivan-Gould, and myself on 9 May 2014. At this meeting Mr

Sullivan-Gould explained his role as Monitoring Officer of the Council and the statutory nature of it. He explained his concerns regarding the increasing number of requests that lacked any obvious link to the best value legislation and that this was the most profitable area of discussion for the meeting to focus upon. Mr Kenyon explained that the forensic techniques that they wish to apply to the review were ones that were software based and required "the whole universe" of data against which to apply them. I explained that these requests were driven by PWC methodology but were far in excess of what a local authority would normally be expected to undertake for a best value review, were entirely indiscriminate going well beyond what we had understood the scope of the inspection to be, and were costly and time-consuming for the Council to deal with. I stated that I did not know of any other attempt to apply forensic fraud techniques developed for the financial services industry to a local authority best value review. Mr Kenyon stated that in his opinion this represented a cost effective and thorough approach to the problem. I stated that a cheaper and shorter approach may be to ask for the Council to secure more targeted information. Mr Kenyon stated that that could not give the same level of assurance as their approach.

34. They went on to explain that they were undertaking not only a best value inspection but a fraud investigation. Mr Sullivan-Gould read to them the core legislation used by the Secretary of State to launch the inspection. Neither Mr Kenyon nor Mr Brown appeared well informed about the legal basis upon which they were conducting the inspection. They referred to their instructions from the Secretary of State as being to undertake a best value inspection and to look for fraud citing their appointment letter.

35. Mr Sullivan-Gould stated that he considered that it would be proper for them to follow lines of enquiry that they came across during a best value inspection but that this was materially different from undertaking a fraud investigation from the outset. He pointed out that this may well go beyond the powers they were

operating under and that the evidence cited by the Secretary of State as suggesting criminal fraud had already been reviewed and rejected by the Police. This was why it was so important that they clarify to him their understanding of the legal position. Mr Sullivan-Gould also reminded them that should they come across any instances of potential fraud that the Council's own processes of due diligence had not already picked up then they were obliged to inform him and the police without delay. The meeting ended with an agreement that for all matters currently and subsequently identified by the Monitoring Officer as requiring clarification under the relevant legislation to determine lawfulness PwC would provide an explanation. This was followed up by an exchange of e-mails on the same day [64-65].

#### **Further Requests from PwC**

36. From this point on new requests for information or data by PwC were often accompanied by a brief standard explanation of the legal basis of the request [71-72, see paragraph titled 'Relevance of Request']. However, this was not an effective way of providing assurance to the Monitoring Officer given the widely varying nature of the data and information requests. Legal justification for a number of requests made by PwC but challenged by the Monitoring Officer has never been received.

37. Some of the initial requests for clarification from the Monitoring Officer were accompanied by a request for PwC to certificate the request as being lawful. However, PwC declined to do so on the basis that the best value inspection process didn't require it. The Monitoring Officer accepted this position but therefore maintained the requirement for PwC to explain clearly why they considered some of their requests were lawful where they departed significantly from anything that one might ordinarily expect in a best value review.

38. As the inspection progressed it became apparent that there were other areas of supporting law that PwC appeared unsure or unclear about. In particular their

initial information and documentation requirement letter of 4 April stated "*for the purposes of this requirement the term LBTH includes any affiliated entity or agent of LBTH*". This is not a concept which has a clear applicability in the local government context.

39. In the absence of any further clarification from PwC regarding interpretation I wrote to Angus Brown on 28 April 2014 to ask if this should include the Council's Arms-Length Management Organisation responsible for the Council's housing stock (Tower Hamlets Homes) [25-42]. On the 30 April Mr Brown confirmed that it should. As a result the organisation was contacted and a substantial amount of data was transferred to PwC in good faith by them via my link team. In subsequent discussions with the Monitoring Officer and myself, and reading the legislation, it became clear that Tower Hamlets Homes was not defined as a best value authority and could not be included in a best value inspection. This was disappointing given the effort that had gone into the coordination and transfer of related material to PwC from this organisation. I wrote to Mr Brown on the 2 June 2014 requesting that he confirm this position and to date have not received a reply [66].

40. It was also clear that PwC had not considered the ability or inability of the Council to influence organisations that fell within their definition of an affiliated entity where the Council had a minority interest on the Board or no influence under the constitution.

41. The inspection continued with full support being provided by the Council at all times. Over the period of the inspection the Council was required to coordinate the collection and transfer of a conservatively estimated 10 million separate data and information items.

42. Following feedback from a scheduled meeting with the PwC team where there was still some confusion regarding the status of the Monitoring Officer's position on certification the Monitoring Officer wrote to Mr Brown on 13 June [67-68]. In

this email he clarified beyond doubt that PwC's position on this had been accepted for some time but that they were still required to provide him with an adequate answer to those information requests that had been identified as not clearly related to a best value inspection; he stressed that the Council would rather be in a position to transfer this material to PwC but that the limited standard responses to his requests simply were not good enough to address his legal concerns and he suggested a meeting to resolve all outstanding matters.

### **17 June 2014 Meeting**

43. A meeting was held between Mr Kenyon and Katherine Gillespie of PwC and the Monitoring Officer, Mr Sullivan-Gould, and myself on 17 June 2014.
44. At this meeting it was made clear that the purpose of it was to resolve all outstanding requests of import to PwC that were the subject of a clarification request by the Monitoring Officer before the information could be released. PwC raised a number of issues. These were
- a) Interview arrangements (not subject to Monitoring Officer request for clarification);
  - b) Access to legal and property files for four specific properties;
  - c) Details of procurement of services from Mayor's advisors;
  - d) Access to an external audit report commissioned by the Council and in the final stages of validation;
  - e) Access to JDE financial data for 2010 to 2013, which is the financial database holding all of the Council's financial transactions (up to the point it was replaced in 2013/14).
45. During the meeting Mr Kenyon made it clear that the most significant of the outstanding requests was the JDE data consisting of every single financial transaction carried out by the Council between 2010 and 2013. He stated that he was very concerned that that this material be provided to the inspection team as, in his view, the inspection would be compromised without it. Mr Sullivan-Gould



stated that the request seemed vastly disproportionate for a best value review. A debate followed which resulted in an agreement that PwC write to the Monitoring Officer with a legal justification for the request. [71-72] On the remaining requests raised at that meeting satisfactory positions were reached facilitating the release of outstanding material.

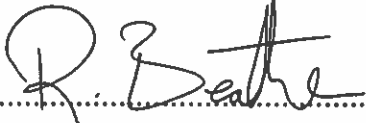
46. On 20 June 2014 Mr Sullivan-Gould wrote to Mr Kenyon stating that he had reviewed his arguments and was not convinced that the request was lawful [73-74]. However, he was going to release the material with these misgivings set down as a matter of record. The financial data which had been prepared in readiness for the legal issues to be resolved was issued immediately to PwC.

## **Conclusion**

47. I understand that PwC were originally directed by the Secretary of State to produce a report of their inspection findings by 30 June 2014. PwC have repeatedly declined to make clear to the Council what their likely reporting date is, but my understanding based on discussions with PwC team members and the body of requests still being made and processed is that the reporting date has been met. The most recent correspondence from the Secretary of State, dated 30 June 2014, has indicated that a report will be made in mid-July [75-81].

48. I do not exhibit to this statement every email or other piece of correspondence between myself (or other Council officers such as Mr Sullivan-Gould) and members of the PwC team. That would be completely disproportionate to the Council's claim. However, it may assist the Court for me to exhibit to this statement the logs my team has kept of the requests for information made by PwC [82-118]. These are divided between the categories adopted by PwC in their original 4 April requests, and where categorisation was uncertain it has been logged under 'General'. It will be seen that requests were still being made on 24 June 2014 and there are a large number of entries. The logs capture all of the various requests for data made by PwC to date.

I believe the contents of this statement are true to the best of my knowledge and belief.

Signed 

Name Robin Beattie

Dated 1st July 2014

---

EXHIBIT "RB1"

---

London Borough of Tower Hamlets  
Legal Department  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

**EXHIBIT "RB1"**

08/04/2014	Email from Robin Beattie to Angus Brown, with response	1 - 3
09/04/2014	Email from Robin Beattie to Angus Brown, with response	4 - 5
11/04/2014	Email Angus Brown to Robin Beattie with suggested protocol	6 - 9
16/04/2014	Email Robin Beattie to Angus Brown with revised protocol	10 - 17
23/04/2014	Email from Angus Brown with edited and reduced protocol	18 - 24
28/04/2014	Email from Robin Beattie to Angus Brown	25 - 26
28/04/2014	Attachment to email dated 28th April 2014 (above)	27 - 42
01/05/2014	Email from Meic Sullivan-Gould to Denzil Coelho	43 - 44
02/05/2014	Email from Robin Beattie to Angus Brown	45 - 46
06/05/2014	Email from Denzil Coelho regarding IT and technical requests	47 - 52
06/05/2014	Attachment 1 LBTH UDrive Appendix	53 - 54
06/05/2014	Attachment 2 LBTH UDrive Request Memo	55 - 56
06/05/2014	Attachment 3 LBTH Devices Request Memo	57 - 60
06/05/2014	Attachment 4 LBTH Devices Appendix	61 - 62
07/05/2014	Email from Meic Sullivan-Gould to Angus Brown	63
09/05/2014	Email from Meic Sullivan-Gould to Will Kenyon & Angus Brown	64 - 65
02/06/2014	Email from Robin Beattie to Angus Brown	66
13/06/2014	Email from Meic Sullivan-Gould to PwC	67 - 68
17/06/2014	Email follow up to meeting with Meic Sullivan-Goul, Will Kenyon, Katherine Gillespie and Robin Beattie	69 - 70

**EXHIBIT "RB1" (cont..)**

17/06/2014	Example of Email with 'Relevance of Request' detail	71 - 72
20/06/2014	Email from Meic Sullivan-Gould to Will Kenyon	73 - 74
27/06/2014	Letter from PwC to Paul Rowsell	75 - 78
30/06/2014	Letter from Paul Rowsell to Will Kenyon, PwC	79
30/06/2014	Letter from Paul Rowsell to Stephen Halsey, Head of Paid Service	80 - 81
	Information Returned to PWC Log General	82 - 85
	Information Returned to PWC Log Grants	86 - 99
	Information Returned to PWC Log Property	100 - 108
	Information Returned to PWC Log Publicity	109 - 112
	Information Returned to PWC Log Contracts	113 - 118

EXHIBIT "RB1"

From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 09 April 2014 15:20  
To: Robin Beattie  
Cc: Stephen Halsey; [katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com)  
Subject: Re: Follow up from this afternoon.

Dear Robin & Stephen

Thank you for your note below. We will revert to you concerning the way forward. Katie will of course continue to liaise closely with you concerning requests for, and receipt of, information. In the meantime I trust that the channels of communication we have established so far can continue to operate effectively, however please let me know if any particular issues are occurring.

Angus

Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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1 Embankment Place, London WC2N 6RH

From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>  
Date: 08/04/2014 21:13  
Subject: Follow up from this afternoon.

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Dear Angus

I hope you had a productive day. As you know our initial focus, quite rightly, has been to mobilise the effort across the Council and its key agents to get the information requested by you to you as quickly as possible. This work is now well underway with a significant amount of hard copy data supplied to you on Monday and arrangements of soft versions and the majority of outstanding data to be with you tomorrow. Downloading of soft copy data will start tomorrow morning. We agree that it is important that this is logged and tracked properly and as the material is forwarded to the shared drive I will log it in the action log we discussed this afternoon. The Log will cover the entire ask as set out in your letter but we may have to evolve the Log structure if we are going to keep data sets clearly linked to the specifics of a very wide information request. This will be the subject of agreement with you going forward and if we get it right will give you the clarity you want regarding outstanding material.

We now need to mutually and swiftly agree some basic rules of engagement and, as discussed this afternoon, I have been asked by Steve Halsey to write to you to set out some areas of clarification specific to staff engagement that we need to address.

I am sure you agree that it is both best practice and common sense to have a clear jointly agreed protocol to govern your team engagement with Council officers. This should enhance rather than hinder the work that you are here to do and it should give managers and staff clarity around process,

assurance and clear understanding of their rights and obligations specific to their personal legal position. You will be aware that we have a legal duty of care to employees and we also have trade unions to manage. As you have stressed that staff cooperation is essential to ensure that we secure the clarity that you seek I am assuming that you have a standard model protocol that you use in these circumstances. If so I would appreciate it you could forward it to me tomorrow as the basis for our discussion.

I would anticipate that this would establish a typology for the different circumstances that might govern your engagement with Council officers ranging from (say) simple technical advice or service support based requests to interviews specific to advanced stages of audit work linked to possible crime related lines of enquiry.

It should be relatively simple to quickly establish a joint protocol to cover the basics of core operational engagement. For example,

- Formal requests for data disclosure, timescales, communication channels, sign off, recording, validation and challenge.
- The interview type where it would be jointly agreed as appropriate if the interviewee were allowed to be accompanied by someone (and who) – e.g. friend, line manager, Trade Union representative, personal legal advisor. The process by which this would be agreed.
- Under what circumstances, if any, interview questions would be given in advance.
- The use of documents as the basis for different types of interview. Circumstances where these would be furnished in advance and associated timescales.
- The type of interview where staff responses will be formally recorded in any format and the process you intend to use to give the member of staff the opportunity to agree this as an accurate record.
- A standard set of statements making staff aware of how information provided by them may be used and applied.
- The circumstances (in broad terms) where it is and is not appropriate for officer opinion rather than points of fact or evidence based inquiry to be sought by your team. Many staff are in politically restricted posts operating in a challenging political environment.
- Standard statement on the confidentiality of the process / interview/ source/ and any rights and obligations on individuals beyond the legal notice served.
- The implications and mechanism for dealing with any individual who fails to cooperate with your enquiries and clarity on how failure to cooperate will be defined (process governing etc).

If you do not have a standard protocol then perhaps we can pick this up at our next round up session and discuss how we move it forward. Can meet you anytime tomorrow if that helps.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place



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From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 10 April 2014 09:45  
To: Robin Beattie  
Cc: Mark Norman; Stephen Halsey  
Subject: RE: Follow up from this afternoon.

Thanks Robin. The team will be liaising with you to clarify plans for today. I will be in contact later today concerning the issues you raise below. In the meantime we are pleased that the co-operation will continue. We will of course continue to be flexible around meeting staff.

Regards

Angus

Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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1 Embankment Place, London WC2N 6RH

From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Mark Norman <[Mark.Norman@towerhamlets.gov.uk](mailto:Mark.Norman@towerhamlets.gov.uk)>  
Date: 09/04/2014 20:45  
Subject: RE: Follow up from this afternoon.

---

Thanks Angus.

As PWC does not appear to have a standard protocol it may take a little longer to reach a joint position so a quick response to ensure we sort this out speedily is desired. At the moment the Council has no guidance from you regarding how you intend to safeguard the rights of council staff you are calling to interview which, I understand, is an obligation falling legally to you as well as to the Council. As such it compromises the councils ability to insist that officers attend and I am not clear, because you have not made it so, of the legality of the position if we did insist under these circumstances. This is not a good position for PWC to be in and it compromises the Council. I have this evening been informed by PWC that Your staff intend to tell me tomorrow morning of interviews they want to hold with Council staff tomorrow thus effectively giving the council and the staff involved no notice. We are still blind regarding your use of notes and the validity of interview notes that have not been provided to interviewed staff to verify as a true record of what they said and of the obligations you consider you have to the staff that you interview.

Under the circumstances I strongly advise that the current vacuum is addressed as a matter of urgency and I would appreciate a target date by which you hope to get back to me on the matter. We will, of course continue to cooperate fully with the provision of information and where staff are willing to engage without a protocol in place allow them to do so but you may need to be flexible regarding any conditions they may have until this matter is jointly sorted out.

Happy to discuss and await your estimate of when you will be able to get back to me in detail on the issue.

Regards

Robin Beattie  
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## Dee Burnett

---

**From:** Robin Beattie  
**Sent:** 11 April 2014 16:40  
**To:** Stephen Halsey; Mark Norman  
**Subject:** FW: Inspection: Draft document re working arrangements & statutory framework  
**Attachments:** Working arrangements for inspection 140411.docx

This is their attempt at a protocol. Needs work.

Regards

**Robin Beattie**  
Service Head Strategy and Resources  
Communities, Localities & Culture  
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**From:** [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
**Sent:** 11 April 2014 16:36  
**To:** Robin Beattie  
**Subject:** Inspection: Draft document re working arrangements & statutory framework

Robin

As promised yesterday, I attach a first draft of a document setting out the working arrangements for a best value inspection with reference to how the statutory basis for such inspection applies to the inspectors, senior officers elected members, staff and other stakeholders.

We look forward to any comments and finalising the document with you. We would be happy to meet next week if helpful.

Pending our agreement of the document (and whilst it was good to confirm with you yesterday that current arrangements are working effectively from the Council's perspective), please do let me or Will Kenyon know at any point if issues arise that you would like to discuss.

Regards

**Angus Brown**

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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## **Working arrangements for a best value inspection**

### *General context of the inspection*

1. The Local Government Act 1999 provides that "A best value authority shall provide an inspector with every facility and all information which he may reasonably require for the purposes of the inspection." (section 11(3)). The inspection is an inspection of the best value authority, not of any individual.

### *Engagements between inspection team and council staff*

2. To ensure that the inspection is productive and beneficial, it is important that inspectors and councils establish and maintain an appropriate working relationship based on courtesy and professional behaviour. It is expected that elected members, senior officers, staff and others concerned will:
  - enable inspectors to conduct their visit in an open and honest way;
  - enable inspectors to evaluate the Council objectively in line with the directions given in the Secretary of State's appointment letter to the inspectors;
  - provide evidence that will enable the inspectors to report honestly, fairly and reliably about the Council's functioning;
  - draw any concerns about the inspection to the attention of inspectors promptly and in a suitable manner; and
  - understand the need for inspectors to secure evidence and talk to staff and stakeholders without the presence of a senior officer.

### *Legal powers in relation to documents and persons*

3. The 1999 Act provides that an inspector "has a right of access at all reasonable times to any premises of the best value authority concerned, and to any document relating to the authority which appears to him to be necessary for the purposes of the inspection." (section 11 (1)). This includes the "power to inspect, copy or take away the document." (section 11 (1A)). The inspector may "require a person holding or accountable for any such document to give him such information and explanation as he thinks necessary, and may require that person to attend before him in person to give the information or explanation or to produce the document." (section 11(2)). An inspector "shall give three clear days' notice of any requirement under this section" (section 11 (4))

### *Confidentiality and attribution*

4. When inspectors meet elected members, senior officers, staff or others concerned, they should endeavour to ensure that individuals and individual comments are not identified in the further exploration of issues or in the inspection report. However, there may be circumstances where it will not be possible to guarantee the anonymity of the interviewee, for example where the

inspectors present facts in their report. In such instances the inspectors will provide the opportunity to the individual concerned to review and comment on the facts presented before the report is finalised. Additionally inspectors have a duty to pass on disclosures where serious misconduct or potential criminal activity is involved.

*Record keeping, confidentiality and disclosure of information*

5. If the Council would like a particular piece of information to be kept confidential, they should explain this, and their reasons, to the inspection team. The inspectors should duly identify the information and give consideration to the Council's request that it remain confidential. The inspection team cannot give an assurance that confidentiality will be maintained in all circumstances.

*Failure to comply with the requirements of the inspection team*

6. The 1999 Act provides that "A person who without reasonable excuse obstructs the exercise of any power conferred by this section or fails to comply with a requirement of an inspector under this section [section 11, as summarised in paragraph 3 above] is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale" (section 11 (5)).

## Dee Burnett

---

**From:** angus.r.brown@uk.pwc.com  
**Sent:** 17 April 2014 16:51  
**To:** Robin Beattie  
**Cc:** Mark Norman; Simon Kilbey; Stephen Halsey; will.kenyon@uk.pwc.com  
**Subject:** \*Confidential: RE: Inspection: Draft document re working arrangements & statutory framework: Confidential

Robin

Many thanks for your e-mail below and the draft protocol. We are considering it carefully and will respond to you next week.

With best wishes

Angus

 Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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---

**From:** Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
**To:** Angus R Brown/UK/CFR/PwC@EMEA-UK  
**Cc:** Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Mark Norman <[Mark.Norman@towerhamlets.gov.uk](mailto:Mark.Norman@towerhamlets.gov.uk)>, Simon Kilbey <[Simon.Kilbey@towerhamlets.gov.uk](mailto:Simon.Kilbey@towerhamlets.gov.uk)>  
**Date:** 16/04/2014 21:38  
**Subject:** RE: Inspection: Draft document re working arrangements & statutory framework: Confidential

---

 Angus

Many thanks for your first draft document regarding the outstanding need for a structured engagement protocol.

We have established interim engagement arrangements with your team which whilst working well enough to cope with this early stage of your investigation would prove insufficient if sustained for too long.

Attached is a draft protocol that addresses the practicalities of engagement over the course of the investigation, references back to the statutory framework material you forwarded to us earlier and addresses our duty to staff and obligations we have under our own legal frameworks.

It is split into themes specific to the practical business of both staff and political engagement. There is a strong and legitimate cross party political expectation and desire to see formal arrangements established early on that creates a place for political engagement within the process of the audit. As we are close to an election I would suggest that you may want to use the protocol to address that expectation whilst at the same time through it provide a control to counter the unlikely event of opportunist politicking that might waste your time. I have added a section that seeks to provide such a framework to manage the political realm from an entirely practical perspective. Feel free to come back to me on any aspects of it that you consider require further discussion.

I have copied this e-mail to the Head of Paid Service, our legal lead on this matter and our Head of HR for their information.

Regards



**Robin Beattie**  
**Service Head Strategy and Resources**  
**Communities, Localities & Culture**  
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**Sent:** 11 April 2014 16:36  
**To:** Robin Beattie  
**Subject:** Inspection: Draft document re working arrangements & statutory framework

Robin

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We look forward to any comments and finalising the document with you. We would be happy to meet next week if helpful.

Pending our agreement of the document (and whilst it was good to confirm with you yesterday that current arrangements are working effectively from the Council's perspective), please do let me or Will Kenyon know at any point if issues arise that you would like to discuss.

Regards

**Angus Brown**

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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[attachment "LBTH-protocol-16Apr14vrb.docx" deleted by Angus R Brown/UK/CFR/PwC]

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## PROTOCOL FOR CONDUCT OF THE INSPECTION

### A. Preamble

1. Section 11(3) of the Local Government Act 1999 states *“A best value authority shall provide an inspector with every facility and all information which he may reasonably require for the purposes of the inspection”*. The inspection is an inspection of the best value authority, not of any individual.
2. Section 11 of the 1999 Act also states:
  - (a) that an inspector *“has a right of access at all reasonable times to any premises of the best value authority concerned, and to any document relating to the authority which appears to him to be necessary for the purposes of the inspection.”*;
  - (b) that this includes the *“power to inspect, copy or take away the document.”*;
  - (c) that the inspector may *“require a person holding or accountable for any such document to give him such information and explanation as he thinks necessary, and may require that person to attend before him in person to give the information or explanation or to produce the document.”*; and
  - (d) that an inspector *“shall give three clear days’ notice of any requirement under this section”*.
3. PWC has stressed that co-operation is essential to ensure that the clarity required by the auditors is secured; it is the Council's intention to take all reasonable steps to co-operate. The Council has legal obligations in respect of its employees; and is subject to legal obligations in respect of information held by it (including but not limited to information that comprises personal data).
4. This protocol seeks to set out principles which will facilitate the conduct of the inspection. The objective is to establish and maintain an appropriate working relationship between PWC and the Council which is based on courtesy and professional behaviour. In the event that the principles set out below need to be varied or supplemented, PWC and the Council will seek to agree any such alteration.
5. The matters set out below are not intended to derogate from the powers available to PWC as inspectors appointed pursuant to the 1999 Act.

## **B. Protocol**

### **General**

1. It is expected that all elected members, and officers of the Council will:
  - enable inspectors to conduct their visit in an open and honest way;
  - enable inspectors to evaluate the Council objectively in line with the directions given in the Secretary of State's appointment letter to the inspectors;
  - provide evidence that will enable the inspectors to report honestly, fairly and reliably about the Council's functioning;
  - draw any concerns about the inspection to the attention of inspectors promptly and in a suitable manner; and
  - understand the need for inspectors to secure evidence and talk to staff and stakeholders without the presence of a senior officer.

### **Requests for documents and information**

2. To permit PWC access to documents and information held by the Council as required by section 11 of the 1999 Act, a shared file will be created. All documents and information requested by PWC will be stored in the shared file; the shared file will be accessible by PWC and the Council's lead liaison officer. All clarifications and validation requests in relation to documents and information placed in the shared file shall be made to the Council's lead liaison officer. **Material secured through direct contact with officers that was requested at the point of contact by PWC will be reported by PWC to the Council's lead liaison at the earliest opportunity for logging (see below).**
3. PWC will hold and use all documents and information made available to it only for the purposes of the inspection pursuant to the provisions of the 1999 Act.
  - (a) If PWC wish to use any such information for any other purpose it will give the Council 3 working days notice of that intention, and of the reasons for it.
  - (b) If the Council wishes the use of any specific document or particular piece of information to be restricted further, the Council will state the reasons for the request. PWC will give due consideration to the request.

**PWC and the Council will cooperate to ensure that both parties maintain independent and accurate logs of all material passed to PWC and all requests for information made to the Council by PWC; Arrangements for this process to be agreed between the Parties.**

### **Interviews and questions**

4. The purpose of interviews or other questioning will be to establish facts relevant to the inspection. Many Council officers are in politically restricted posts. This may prevent them from responding to questions seeking expressions of personal opinion.

5. If PWC wishes to interview a Council member or officer, save where it is not reasonably practicable to do so, PWC will
  - (a) give the member or officer 72 hours notice of the interview;
  - (b) provide to the member or officer copies of documentation to be used at interview 72 hours prior to the interview; and
  - (c) will, when giving notice of the interview inform the member or officer of the nature of the matters to be covered in the course of the interview.

Make it clear via the issuing of a standard statement (to be agreed with the Council) issued at the point of giving notice the circumstances where an officer may choose to decline to respond to a question (e.g. where invited to express an opinion if in a restricted post).

Set out in writing the request for interview to include the above and making it clear how the information provided by the interviewee may be used or applied.

If it is not reasonably practicable to give notice in accordance with (a) – (c) above 72 hours prior to the interview, PWC will give such notice as is reasonably practicable.

6. Any person who is called for interview may be accompanied by a colleague, a TU representative or an individual of their choosing. At least 48 hours prior to the interview the person called for interview will let PWC know the name of any accompanying person. Where an interviewee wishes to be accompanied but cannot secure accompaniment within the time scale, reasonable consideration should be given to a short postponement.

Should an individual be accompanied by a personal legal representative PWC must be given 24 hours notice by the interviewee -this to be explained in the notice letter.

The interviewee will be given the opportunity to ask questions of the interviewer specific to the questions raised in the interview.

The interviewee may consult with any accompanying individual before answering any question but will be the sole respondent at the interview.

The requirement for confidentiality will extend to any accompanying individual.

7. At the commencement of an interview PWC will state the purpose for which the interview is taking place, and will explain how information provided by the person being interviewed may be used and applied.
8. All interviews will be tape recorded, and will be recorded by a stenographer. The person interviewed may also record the interview using an audio device if they so wish. Any notes produced by PWC as a result of an interview will be forwarded to the person interviewed to permit them either to confirm that the note is accurate or to suggest amendment to the note.
9. In the event that PWC consider it appropriate to make any criticism of any person in their report, PWC will give the person the opportunity to review and comment on the material part of the report before the report is finalised.

10. In the event that PWC receive information which gives reasonable grounds to suspect that any person has committed any act of serious misconduct, or has committed any act that is criminal, PWC may pass that information to such third persons as it considers appropriate. In that event PWC will give notice to the Council.

From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 23 April 2014 18:55  
To: Robin Beattie  
Cc: Mark Norman; Simon Kilbey; Stephen Halsey; [will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com)  
Subject: \*Confidential: Fw: RE: Inspection: Draft document re working arrangements & statutory framework: Confidential

Robin

I attach an updated draft of the above document. You will see that we have continued to focus this on the applicable statutory framework and related working arrangements that we consider appropriate to enable the inspection to proceed objectively in line with the Secretary of State's appointment letter. Against this background we have deleted content from your draft that we believe goes beyond the statutory framework or which might represent a limitation on our ability to conduct the inspection in an open and honest way.

To the extent that you and your colleagues have comments we would suggest that rather than a further exchange of drafts we now arrange to discuss the document in order to finalise it as soon as possible. Will Kenyon and I are available for a conference call tomorrow.

Regards

Angus

Angus Brown

PwC | Director  
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PricewaterhouseCoopers LLP  
1 Embankment Place, London WC2N 6RH

----- Forwarded by Angus R Brown/UK/CFR/PwC on 23/04/2014 12:26 -----

From: Angus R Brown/UK/CFR/PwC  
To: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>@INTL  
Cc: Mark Norman <[Mark.Norman@towerhamlets.gov.uk](mailto:Mark.Norman@towerhamlets.gov.uk)>, Simon Kilbey<[Simon.Kilbey@towerhamlets.gov.uk](mailto:Simon.Kilbey@towerhamlets.gov.uk)>, Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Will Kenyon/UK/CFR/PwC@EMEA-UK  
Date: 17/04/2014 16:51  
Subject: \*Confidential: RE: Inspection: Draft document re working arrangements & statutory framework: Confidential

---

Robin

Many thanks for your e-mail below and the draft protocol. We are considering it carefully and will respond to you next week.

With best wishes

Angus

Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Mark Norman <[Mark.Norman@towerhamlets.gov.uk](mailto:Mark.Norman@towerhamlets.gov.uk)>, Simon Kilbey <[Simon.Kilbey@towerhamlets.gov.uk](mailto:Simon.Kilbey@towerhamlets.gov.uk)>  
Date: 16/04/2014 21:38  
Subject: RE: Inspection: Draft document re working arrangements & statutory framework: Confidential

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Angus

Many thanks for your first draft document regarding the outstanding need for a structured engagement protocol.

We have established interim engagement arrangements with your team which whilst working well enough to cope with this early stage of your investigation would prove insufficient if sustained for too long.

Attached is a draft protocol that addresses the practicalities of engagement over the course of the investigation, references back to the statutory framework material you forwarded to us earlier and addresses our duty to staff and obligations we have under our own legal frameworks.

It is split into themes specific to the practical business of both staff and political engagement. There is a strong and legitimate cross party political expectation and desire to see formal arrangements established early on that creates a place for political engagement within the process of the audit. As we are close to an election I would suggest that you may want to use the protocol to address that expectation whilst at the same time through it provide a control to counter the unlikely event of opportunist politicking that might waste your time. I have added a section that seeks to provide such a framework to manage the political realm from an entirely practical perspective. Feel free to come back to me on any aspects of it that you consider require further discussion.

I have copied this e-mail to the Head of Paid Service, our legal lead on this matter and our Head of HR for their information.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229  
Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
Web: [www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

London Borough of Tower Hamlets  
Mulberry Place  
PO Box 55739  
5 Clove Crescent  
London E14 2BG

From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 11 April 2014 16:36  
To: Robin Beattie  
Subject: Inspection: Draft document re working arrangements & statutory framework

Robin

As promised yesterday, I attach a first draft of a document setting out the working arrangements for a best value inspection with reference to how the statutory basis for such inspection applies to the inspectors, senior officers elected members, staff and other stakeholders.

We look forward to any comments and finalising the document with you. We would be happy to meet next week if helpful.

Pending our agreement of the document (and whilst it was good to confirm with you yesterday that current arrangements are working effectively from the Council's perspective), please do let me or Will Kenyon know at any point if issues arise that you would like to discuss.

Regards

Angus Brown

PwC | Director  
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Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
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1 Embankment Place, London WC2N 6RH

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[attachment "LBTH-protocol-16Apr14vrb.docx" deleted by Angus R Brown/UK/CFR/PwC]

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## Working arrangements for a best value inspection

### A. Introduction and statutory framework

1. Section 11(3) of the Local Government Act 1999 states “*A best value authority shall provide an inspector with every facility and all information which he may reasonably require for the purposes of the inspection*”. The inspection is an inspection of the best value authority, not of any individual.
2. Section 11 of the 1999 Act also states:
  - (a) that an inspector “*has a right of access at all reasonable times to any premises of the best value authority concerned, and to any document relating to the authority which appears to him to be necessary for the purposes of the inspection.*”;
  - (b) that this includes the “*power to inspect, copy or take away the document.*”;
  - (c) that the inspector may “*require a person holding or accountable for any such document to give him such information and explanation as he thinks necessary, and may require that person to attend before him in person to give the information or explanation or to produce the document.*”;
  - (d) that an inspector “*shall give three clear days’ notice of any requirement under this section*”; and
  - (e) that “*A person who without reasonable excuse obstructs the exercise of any power conferred by this section or fails to comply with a requirement of an inspector under this section [as set out above] is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale*”.
3. Co-operation is essential to ensure that the clarity required by the inspectors is secured; it is the Council’s intention to take all reasonable steps to co-operate. The Council has legal obligations in respect of its employees; and is subject to legal obligations in respect of information held by it (including but not limited to information that comprises personal data).
4. The matters set out below are not intended to derogate from the powers available to PWC as inspectors appointed pursuant to the 1999 Act.

## **B. Working arrangements**

### *General*

1. To ensure that the inspection is productive and beneficial, it is important that the parties establish and maintain an appropriate working relationship based on courtesy and professional behaviour. It is expected that all Council elected members, staff of the Council and other stakeholders will:
  - enable inspectors to conduct their work in an open and honest way;
  - enable inspectors to evaluate the Council objectively in line with the directions given in the Secretary of State's appointment letter to the inspectors;
  - provide evidence that will enable the inspectors to report honestly, fairly and reliably about the Council's functioning;
  - draw any concerns about the inspection to the attention of inspectors promptly and in a suitable manner; and
  - understand the need for inspectors to secure evidence and talk to elected members, officers and stakeholders without the presence of other individuals.

### *Requests for documents and information*

2. The Council's lead liaison officer will arrange for documents and information requested by PwC to be copied to a shared file. PwC may download copies of such documents and information to their own systems. PwC and the Council will agree a process to record requests for documents and information and material passed to PwC.
3. If the Council wishes any specific document or particular piece of information shared with PwC to be kept confidential, the Council will state the reasons for the request. PwC will give due consideration to the request.

### *Meetings*

4. If PwC wishes to meet a Council elected member or member of staff, save where it is not reasonably practicable to do so, PwC will:
  - (a) give the Council elected member or member of staff 72 hours' notice; and

- (b) inform the Council elected member or member of staff of the nature of the matters and of the nature of the documents to be covered in the course of the interview.
- 5. It is generally expected that Council elected members and members of staff will not be accompanied when inspectors request to meet them individually. If, exceptionally, an individual wishes to be accompanied PWC must be given 48 hours' notice. This notice must be from the individual and explain why they wish to be accompanied and by whom. In all instances the person accompanying the individual should be independent of the matters being discussed and will be asked to confirm their independence and their relationship to the individual. Where PWC accepts that an individual can be accompanied by the person proposed to a meeting, it will always be the individual who will be expected to provide information and answers in response to questions from the inspectors. PWC reserve the right not to accept a proposed accompanying person. The requirement for confidentiality will extend to any accompanying individual. If, exceptionally, either party wishes a meeting to be electronically recorded, unless both parties agree to a shorter notice period, the other party must be given 48 hours' notice. In this event a transcript or copy of the recording will be made available to both parties.
- 6. When inspectors meet Council elected members, officers and other stakeholders, they should endeavour to ensure that individuals and individual comments are not identified in the further exploration of issues or in the inspection report. However, there may be circumstances where it will not be possible to guarantee the anonymity of the individual concerned. Where, exceptionally, the inspectors consider it appropriate to present information in their report on an attributable basis (or an individual confirms that they are content with information being presented on an attributable basis) the inspectors will endeavour to provide the opportunity to the individual concerned to review and comment on the information presented before the report is finalised.
- 7. In the event that the inspectors receive information which gives reasonable grounds to suspect that any person has committed any act of serious misconduct, or has committed a criminal act, PWC may pass that information to such third persons as it considers appropriate.

From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 29 April 2014 12:14  
To: Robin Beattie  
Cc: JohnS Williams; [katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com); Meic Sullivan-Gould; Stephen Halsey;  
[will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com); [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
Subject: Re: Clarification of Affiliated entity or agent of LBTH

Many thanks Robin. I expect to get back to you concerning the Affiliates point by tomorrow. Denzil is following up the document & data preservation issue to make sure we understand this properly. Again I would hope we can revert to you very shortly.

NB: Yes, a very good Easter. Hope you did too.

Regards

Angus Brown

PwC | Director  
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---

From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: Katie L Mills/UK/ABAS/PwC@EMEA-UK, Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Meic Sullivan-Gould <[Meic.Sullivan-Gould@towerhamlets.gov.uk](mailto:Meic.Sullivan-Gould@towerhamlets.gov.uk)>, JohnS Williams <[JohnS.Williams@towerhamlets.gov.uk](mailto:JohnS.Williams@towerhamlets.gov.uk)>  
Date: 28/04/2014 14:36  
Subject: Clarification of Affiliated entity or agent of LBTH

Dear Angus

I hope you had a good Easter.

You may recall we had a brief discussion when we last met regarding the definition of the 'London Borough of Tower Hamlets' used in your initial information / document requirement attached to your letter dated 4<sup>th</sup> April 2014 to Mr Halsey. Specifically this definition extended to 'any affiliated entity or agent of LBTH'.

We are keen to ensure that you secure all the information that you are targeting. You will appreciate that this definition is very broad and with no further clarification would include within its remit organisations that the Council does not control. We have, to date, assumed that the definition applies to those organisations that the Council controls directly (such as the Housing ALMO all of the relevant information for which you now have) or through the Board most usually by having a majority presence. Tower Hamlets Sports Council, whilst not having a majority on the Board is one short of a majority and we are therefore including it as an affiliated entity. We are also treating King Georges Field Trust as an affiliated entity and are in the process of drawing together the requested information for these organisations. As yet we have not applied it to organisations with a low number of Council Members as a percentage of the Board in instances where we have no authority to direct these organisations to cooperate with the PwC information requirement.

I would appreciate it if you could clarify if this working interpretation is correct and, if not, clarify for us how you might expect the Council to go about securing compliance with your information

requirement from 3<sup>rd</sup> party organisations that we do not control and which are not directly accountable to us.

Please also note that we have not extended interpretation of your definition to include school governing bodies as these seem to sit outside the remit of your Audit. In your view are we correct to do so?

You indicated that you would need to seek clarification directly from DCLG on a case by case basis before you could give further direction on the matter. I attach for your information, therefore, a list of appointments of Councillors to 3<sup>rd</sup> party organisations (minus school governing bodies) so you can see for yourself the extent of your current definition and judge the relevance of it given my comments above.

I also await your agreement to the wording of a proposed internal message to LBTH staff clarifying the extent of their obligations under the Document and Data Preservation Notice.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229  
Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
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## APPOINTMENTS TO EXTERNAL BODIES 2013/2014

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Action for Bow</b> Term: 1 year	1 (Member)	Cllr Marc Francis	<b>Cllr Marc Francis</b>	Mayor
<b>Aldgate &amp; Allhallows Barking Exhibition Foundation</b> Term: 3 years	1 (Member)	Cllr Sirajul Islam – (appointed until March 2013)	<b>Cllr Sirajul Islam</b>	Mayor
<b>Billingsgate Market Consultative Advisory Committee</b> Term: 1 year	2 (Members or Officers)	Cllr Bill Turner Cllr S Khatun Cllr G Thienel (Deputy)	<b>Cllr Bill Turner</b> <b>Cllr S Khatun</b> <b>Cllr G Thienel (Deputy)</b>	Mayor
<b>Bromley by Bow Centre</b> Term: 3 years	1 (Member)	Cllr Rachael Saunders (appointed until March 2013)	<b>Cllr Rania Khan</b>	Mayor
<b>Central London Waste Disposal Joint Committee</b> Term: 4 years (ends in June 2015)	3 (Members)	Cllr Zenith Rahman Cllr Motin Uz-Zaman (both appointed to June 2015) 1 vacancy	<b>Cllr Zenith Rahman &amp; Cllr Motin Uz-Zaman (both appointed to June 2015)</b> <b>1 (Member) vacancy</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>CREATE London - Director</b>  <b>Term: ongoing</b>	1 (Member)	Cllr Rania Khan	<b>None required – appointment ongoing</b>	Mayor
<b>Cultural Industries Development Agency</b>  <b>Term: 1 year</b>	1 (Member)	Cllr Denise Jones	<b>Cllr Aminur Khan</b>	Mayor  File w/JW?
<b>Docklands Sailing &amp; Water Sports Centre</b>  <b>Term: 1 year</b>	1 (Member)	Cllr David Snowdon	<b>Cllr Maium Miah</b>	Mayor
<b>East End Community Foundation (New)</b>  <b>Term: 1 year</b>	2 (Members)	-	<b>Cllr Maium Miah</b>  <b>Cllr David Edgar</b>	Mayor
<b>East End Homes</b>  <b>Term: 1 year</b>	2 (Members)	Cllr Helal Uddin  Cllr Motin Uz-Zaman	<b>Cllr Helal Uddin</b>  <b>Cllr Gulam Robbani</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>East London Nursing Society Trust</b>  Term: 4 years	3  (May be Members, officers or lay persons)	Cllr Lutfa Begum  Cllr Rachael Saunders  Ms. Belle Harris  (all appointed to 25 <sup>th</sup> March 2013)	<b>Cllr Lutfa Begum</b>  <b>Cllr Rachael Saunders</b>  <b>Ms. Belle Harris</b>	Mayor  Sent letter to BH via email
<b>East London &amp; The City University Mental Health NHS Trust</b>  Term: 1 year	1 (Member)	Cllr Bill Turner	<b>Cllr Lutfa Begum</b>	Mayor
<b>English Heritage – Historic Environment Champion</b>  Term: 1 year	1 (Member)	Cllr Judith Gardiner	<b>Cllr Judith Gardiner</b>	Mayor
<b>Futures Charitable Trust</b>  Term: 2 years (in rotation with other London Boroughs)	1 (Member)	<i>Cllr Ann Jackson (term expired end December 2011)</i>	<b>Not required – rota of boroughs. LBTH turn ended 2011</b>	

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<i>Gateway Housing Association</i>		<i>Cllr Gloria Thienel</i>	<i>n/a Gateway Housing Association rules no longer provide for Council nomination</i>	
<b>Green Candle Dance Company</b>  <i>Term: 1 year</i>	1 (Member)	Cllr Peter Golds	<b>Cllr Peter Golds</b>	Mayor
<i>Globe Town Trust</i>		<i>Cllr Bill Turner</i>	<i>n/a Trust is no longer operational</i>	
<b>Greater London Enterprise</b>  <i>Term: 1 year (as ordinary member of GLE Ltd)</i>	2 (Members)	Cllr David Edgar  1 vacancy	<b>Cllr David Edgar</b>  <b>1 vacancy</b>	Mayor
<b>Greenwich &amp; Docklands Festival</b>  <i>Term: 1 year</i>	1 (Member)	Cllr Joshua Peck	<b>Cllr Maium Miah</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<i>Island Health Trust</i>		<i>Cllr Gloria Thienel</i>	<i>n/a Trust no longer has external Board members</i>	
<i>Island Sports Trust Management Committee</i>		<i>Cllr Maium Miah</i>	<i>n/a Trust no longer requires Council nomination</i>	
<b>Isle of Dogs Community Foundation</b> <i>NOW KNOWN AS EAST END COMMUNITY FOUNDATION</i>	2 (Can be Members or officers)	<i>Cllr Tim Archer</i> <i>Cllr David Edgar</i>	<i>n/a Merged with St. Katharine's &amp; Shadwell Trust and now known as "East End Community Foundation"</i>	
<b>Jagonari Women's Education &amp; Resource Centre – Board Member</b>  <i>Term: 1 year</i>	1 (Member)	Cllr Lesley Pavitt	Cllr Gulam Robbani	Mayor
<b>Leaside Regeneration Company Ltd</b>  <i>Term: 1 year</i>	2 (Members)	Cllr Denise Jones Cllr David Edgar	Cllr David Edgar 1 vacancy	Mayor

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Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Lee Valley Regional Park Authority</b>  Term: 4 years	1 + 1 deputy (Member)	Member – Cllr Denise Jones  Deputy – Cllr Shahed Ali  (both appointed until June 2013)	<b>Member –            Cllr Denise Jones</b>  <b>Deputy –            Cllr Shahed Ali</b>	Mayor
<b>Local Government Group Annual Conference (LGA)</b>  Term: 1 year	4 (Members)	Cllr Mizanur Chaudhury  Cllr Rachael Saunders  Cllr Kabir Ahmed  1 vacancy	<b>Cllr Abdul Asad</b>  <b>Cllr Rania Khan</b>  <b>Cllr Kabir Ahmed</b>  <b>Cllr Gulam Robbani</b> <i>(NB: Mayor's nominees – Council appointment)</i>	<i>NB: Council appointment</i>
<b>Local Government Association Urban Commission</b>  Term: 1 year	2 (Members)	Cllr David Edgar  Cllr Stephanie Eaton	<b>Cllr David Edgar</b>  <b>Cllr Stephanie Eaton</b>	Mayor
<b>London Accident Prevention Council</b>  Term: 1 year	1 + 1 Deputy (Members)	Member – Cllr Shahed Ali  Deputy – Cllr Dr Emma Jones	<b>Member –            Cllr Shahed Ali</b>  <b>Deputy –            Cllr Dr Emma Jones</b>	Mayor  To note diff add of LAPC

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>London City Airport Consultative Committee</b>  Term: 3 years	1 + 1 Deputy (Can be Members, officers or lay persons)	Member – Mr Stephen Mutton  Deputy – (vacant)	<b>Member – Mr Stephen Mutton</b>  <b>Deputy – (vacant)</b>	Mayor  Sent the letter via email instead
<b>London Housing Consortium</b>  Term: 1 year	1 (Members – one Executive and one Non-Executive)	Cllr Rabina Khan*  Cllr Kabir Ahmed* (*appointed by Mayor in Cabinet 13.2.13)	<b>Cllr Rabina Khan</b>  <b>Cllr Kabir Ahmed</b>	Mayor
<b>London Legacy Development Corporation (MDC)</b>  Term: As determined by Mayor of London	1 (Member)	<i>Mayor Lutfur Rahman*</i> <i>(* Mayoral nomination 2012)</i>	<b>None required – appointment ongoing</b>	<i>Mayor of London appointment</i>
<b>London Legacy Development Corporation Planning Decisions Committee</b>  Term: As determined by Mayor of London	1 + 1 deputy (Members, officers or others)	<i>Cllr Rabina Khan*</i>  <i>Deputy – Cllr Maium Miah*</i> <i>(*Mayoral nomination 2013)</i>	<b>None required – appointment ongoing</b>	<i>Mayor of London appointment</i>

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
London Thames Gateway Development Corporation	1 (Member)  N.B. – Ministerial appointment	Cllr Kosru Uddin  (appointed until 31 December 2012)	n/a <b>LTGDC wound up December 2012</b>	
London Youth Games Ltd  Term: 1 year	2 (Members)	Cllr Abdal Ullah  Cllr Lesley Pavitt	Cllr Oliur Rahman  Cllr Lesley Pavitt	Mayor
Merchant Navy Welfare Board  Term: 1 year	1 (Member)	1 vacancy	1 vacancy	Mayor
Mile End Park Partnership Company  Term: 1 year	2 (Members)	Cllr Joshua Peck  Cllr Denise Jones	Cllr Joshua Peck  Cllr Denise Jones	Mayor
Mudchute Association (Park and Farm)  Term: 1 year	1 (Member)	Cllr Marc Francis	Cllr Marc Francis	Mayor



Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Norton Folgate Almshouse Charities</b>  Term: 4 years	3 (Can be Members, Officers or Lay Persons)	Ms. Rachel Blake (to June 2012)  Mr. Chris Weavers (to March 2013)  Mr Chris Dyson (to June 2013)	<b>Ms. Rachel Blake</b>  <b>Mr. Chris Weavers</b>  <b>Mr Chris Dyson</b>	Mayor  Add from David C
<b>Ocean Regeneration Trust Board</b>  Term: 1 year	2 (Members)	Cllr Bill Turner  Cllr Abdal Ullah	<b>Cllr Alibor Choudhury</b>  <b>Cllr Rofique U Ahmed</b>	Mayor
<b>Older People's Member Champion</b>  Term: 1 year	1 (Member)	1 vacancy	<b>Cllr Abdul Asad</b>	Mayor
<i>Olympic Delivery Authority – Planning Committee</i>	1 (Member)  <i>Nomination to be approved by ODA Board</i>	<i>Cllr Judith Gardiner</i>  <i>(Appointed until 30 September 2012)</i>	<i>n/a</i> <b>ODA wound up</b>	
<b>Oxford House</b>  Term: 1 year	1 (Member)	Cllr Sirajul Islam	<b>Cllr Rabina Khan</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Parmiters Bethnal Green Education Trust</b>  Term: 4 years	1 (May be Member, Officer or lay person)	1 vacancy	<b>Mr. Salim Ullah</b>	Mayor  Get add from?  Not sure if the term is 4/2/1?
<b>Poplar Harca Boards</b>  Term: 1 year	4 (must be Members)  One on each of 4 boards: - PH Board; - Places; - Services - Finance & Audit	Cllr Khaled Uddin Ahmed  Cllr Shiria Khatun  Former Cllr Anna Lynch  1 vacancy	<b>Cllr Rania Khan</b>  <b>Cllr Ohid Ahmed</b>  <b>Cllr Kosru Uddin</b>  <b>1 vacancy</b>	Mayor
<b>Reserve Forces and Cadets Association for Greater London</b>  Term: 1 year	1 (Member)	Cllr Stephanie Eaton	<b>Cllr Stephanie Eaton</b>	Mayor
<b>Rich Mix Cultural Foundation</b>  Term: 1 year	2 (Members)	Cllr Rachael Saunders  Cllr Mizanur Chaudhury	<b>Cllr Kabir Ahmed</b>  <b>1 vacancy</b>	Mayor  Not KA –  Cllrs R Saunders & M Chaudhury – informed Zoe to change on modern.gov 18/9/13

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Spitalfields Market Community Trust</b>  Term: 1 year	3 (Members)	Cllr Helal Abbas Cllr Sirajul Islam Cllr Abdul Mukit, MBE	<b>Cllr Gulam Robbani</b> <b>Cllr Fozol Miah</b> <b>Cllr Kabir Ahmed</b>	Mayor
<b>Stepney Relief in Need Charity</b>  Term: 4 years	3 (Can be Members, officers or Lay Persons)	Cllr Judith Gardiner  Ms. Belle Harris (both appointed to June 2014)  1 vacancy	<b>Ongoing appointment of Cllr Judith Gardiner and Ms. Belle Harris (both appointed to June 2014)</b>  <b>1 vacancy</b>	Mayor
<b>St. Katharine's &amp; Shadwell Trust</b>	1 + 1 Deputy (Members)	<i>Member – Cllr Denise Jones</i> <i>Deputy – Cllr Abdal Ullah</i>	<i>n/a</i> <b>(MERGED WITH Isle of Dogs Community Foundation)</b>	
<b>St. Paul's Way School Foundation Trust – Member Authorised Representative</b>  Term: 1 year	1 (Member)	Cllr Rachael Saunders	<b>Cllr Rachael Saunders</b>	Mayor
<b>Thames Gateway London Partnership</b>  Term: 1 year	1 (Member)	Cllr Judith Gardiner	<b>Cllr Judith Gardiner</b>	Mayor  Not AH – email to req from their postal add – 28/8/13

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Thames' Regions Flood Defence Committee</b>  Term: 4 years	No direct appointment	-	<b>None required</b>	Mayor
<b>The Henderson Charity</b>  Term: 1 year	1 (Member)	Cllr Alibor Choudhury	<b>Cllr Alibor Choudhury</b>	Mayor
<b>Tower Hamlets/Canary Wharf Further Education Trust</b>  Term: 1 year	2 (Members)	Cllr Abdal Ullah Cllr Lesley Pavitt	<b>Cllr Maium Miah</b> <b>Cllr Lesley Pavitt</b>	Mayor  Emailed – David Stone –read my email did not returned my phone call
<i>Tower Hamlets College Board</i>		<i>Cllr Mizan Chaudhury</i> <i>Cllr Bill Turner</i>	<i>n/a</i> <b>No longer provision for Council nominee on this College Board</b>	
<b>Tower Hamlets Community Housing</b>  Term: 1 year	4 (Members)	Cllr Helal Abbas Cllr Helal Uddin Cllr Carlo Gibbs Cllr Sirajul Islam	<b>Cllr Gulam Robbani</b> <b>Cllr Kabir Ahmed</b> <b>Cllr Shafiqul Haque</b> <b>Cllr Rabina Khan</b>	Mayor  Fflg B Mck meeting w/ MTyrell 4/3/14  Only 2 re for the next nomi – see file for future council rep

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Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Tower Hamlets Community Transport</b>  Term: 1 year	1 (Member)	Cllr Abdul Asad	<b>Cllr Abdul Asad</b>	Mayor
<b>Tower Hamlets Homes Board</b>  Term: as determined by Mayor	4 (Members)	Cllr Alibor Choudhury* Cllr Kabir Ahmed* Cllr Rania Khan* Cllr Marc Francis* (*Appointments made by Mayor 20.12.11)	<b>None required – appointments ongoing</b>	Mayor Informed Zoe 20Nov13 to change to Cllr L Begum & G Robbani – see file
<b>Tower Hamlets Primary Care Trust</b>  Term: 1 year	1 (PCT advises this should be the Lead Member with responsibility for Older People & Health)	1 vacancy	<b>Cllr Abdul Asad</b>	Mayor
<b>Tower Hamlets Sports Council</b>  Term: 1 year	7 (Members)	Cllr Kabir Ahmed Cllr Abdul Asad Former Cllr Anna Lynch Cllr Lesley Pavitt	<b>Cllr Kabir Ahmed            Cllr Abdul Asad            Cllr Maium Miah            Cllr Lesley Pavitt</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
		Cllr Abdal Ullah Cllr Zara Davis Cllr David Snowdon	Cllr Oliur Rahman Cllr Zara Davis Cllr David Snowdon	
<b>Tower Project</b> Term: 1 year	1 (Member)	1 vacancy	Cllr Abdul Asad	Mayor
<b> &amp; A Museum of Childhood</b> Term: 1 year	2 (Members)	Cllr Denise Jones 1 vacancy	Cllr Denise Jones Cllr David Edgar	Mayor
<b>Whitechapel Art Gallery</b> Term: 1 year	1 (Member)	Cllr Denise Jones	Cllr Rania Khan	Mayor
<b>Women's Environmental Network</b> Term: 1 year	1 (Must be a female Councillor)	Cllr Judith Gardiner	Cllr Lutfa Begum	Mayor  Pls see file – email forward to JW 4/9/13 – no women's lib coun at univ

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Women's Library Council</b>  Term: 1 year	1 (Member)	Cllr Rachael Saunders	<b>Cllr Rania Khan</b>	Mayor
<b>LONDON COUNCILS COMMITTEES AND FORUMS</b>				
<b>London Councils Leaders Committee</b>  Term: 1 year	1 Member and up to 2 deputies	Mayor Lutfur Rahman	<b>Mayor Lutfur Rahman 2 deputies (vacant)</b>	Mayor
<b>London Councils Transport and Environment Committee</b>  Term: 1 year	1 Member and up to 4 deputies	Cllr Ohid Ahmed	<b>Cllr Ohid Ahmed 4 deputies (vacant)</b>	Mayor
<b>London Councils Grants Committee</b>  Term: 1 year	1 Member and up to 4 deputies (NB: All must be cabinet members)	Cllr Ohid Ahmed	<b>Cllr Ohid Ahmed 4 deputies (vacant)</b>	Mayor

Name of Organisation & Term of Office	Number of representatives required (Member/Officer)	Current representative(s) (appointed 2011/12 & extended except *)	Appointment(s) for 2013/14	Mayor or Council appointment
<b>Greater London Employment Forum</b>  Term: 1 year	1 Member	Cllr Rania Khan	<b>Cllr Rania Khan</b>	Mayor



## Dee Burnett

---

**From:** angus.r.brown@uk.pwc.com  
**Sent:** 01 May 2014 14:32  
**To:** Meic Sullivan-Gould  
**Cc:** denzil.a.coelho@uk.pwc.com; Robin Beattie  
**Subject:** Re: FW: Agresso Data Request  
**Attachments:** LBTH Agresso Data Request 20140425.pdf

Dear Mr Sullivan-Gould

Thank you for your note below. We understand the need for the Council to be satisfied, by virtue of the Data Protection Act, as to its handling as data controller of relevant information in compliance with the Statutory Data Protection principles.

We have reviewed your suggested wording and propose the text set out below. Please advise by return if you do not consider that this provides adequate protection for the Council from challenge by data subjects or the Information Commissioner that personal data has not been correctly processed.

Otherwise we look forward to receipt of the data this afternoon.

**"PWC will hold and use all documents and information made available to it only for the purposes of the inspection pursuant to the provisions of the 1999 Act and subject to such other legislation as may be relevant.**

**If the Council wishes the use of any specific document or particular piece of information to be restricted further, the Council will state the reasons for the request. PWC will give due consideration to the request. A log of such specific documents or particular pieces of information will be agreed between the parties."**

### Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London WC2N 6RH

---

**From:** Meic Sullivan-Gould <Meic.Sullivan-Gould@towerhamlets.gov.uk>  
**To:** Denzil A Coelho/UK/TLS/PwC@EMEA-UK  
**Cc:** Angus R Brown/UK/CFR/PwC@EMEA-UK, Robin Beattie <Robin.Beattie@towerhamlets.gov.uk>  
**Date:** 01/05/2014 10:53  
**Subject:** FW: Agresso Data Request

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### Mr Coelho

Your request for the Agresso Data has been referred to me to consider the sufficiency of the Data Protection arrangements that PWC have offered. This issue has also been raised in other discussions between the Council and PWC about the Audit Engagement Protocol. The Council has received leading counsel's advice (Jonathan Swift QC) about its position in relation to personal data generally and specifically that held in the Agresso system.

You will appreciate I hope that the Council is the data controller in respect of the personal and commercial information that is contained in the Agresso system and, by virtue of the Data Protection Act is required to handle that information in compliance with the Statutory Data Protection principles. With due respect to your firm, the wording in your "General Considerations"

deals only with the circumstances of PWC and does not provide adequate protection for the Council from challenge by data subjects or the Information Commissioner that personal data has not been correctly processed. Counsel's view was that the PWC wording "says everything and says nothing" on that position.

The Council had proposed wording to PWC in its initial draft of the Audit Engagement Protocol (para 3 refers) to cover the data protection issue but those words have been deleted by your colleagues with no replacement provision. There has been no explanation as to why the Council proposal was unsatisfactory and counsel advises that in the absence of some statutory provision that obliges the Council to release personal data to PWC for the purposes of a Best Value Audit such release should only be done where there are agreed arrangements for the protection of the rights of the data subjects.

The Agresso data is ready for despatch to you but until the Council has the assurances that it needs about compliance by PWC with the data protection principles. It is being advised not to do so. I hope that you will appreciate the dilemma that has been created here – no doubt inadvertently.

The wording offered by the Council was as follows:

"PWC will hold and use all documents and information made available to it only for the purposes of the inspection pursuant to the provisions of the 1999 Act.

(a) If PWC wish to use any such information for any other purpose it will give the Council 3 working days notice of that intention, and of the reasons for it.

(b) If the Council wishes the use of any specific document or particular piece of information to be restricted further, the Council will state the reasons for the request. PWC will give due consideration to the request.

PWC and the Council will cooperate to ensure that both parties maintain independent and accurate logs of all material passed to PWC from the Council and all requests for information made to the Council by PWC; Arrangements for this process to be agreed between the Parties."

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probitiy and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
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London Borough of Tower Hamlets  
Mulberry Place (AH)  
PO Box 55739  
5 Clove Crescent  
London  
E14 2BG

**From:** Robin Beattie

## Dee Burnett

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**From:** Robin Beattie  
**Sent:** 02 May 2014 15:46  
**To:** 'angus.r.brown@uk.pwc.com'; Meic Sullivan-Gould  
**Cc:** denzil.a.coelho@uk.pwc.com; Stephen Halsey  
**Subject:** RE: FW: Agresso Data Request

Dear Angus

Following our discussion this afternoon regarding the above I can confirm that Steve Halsey had attempted to contact Will Kenyon and that they have now engaged on the matter.

Whilst the Monitoring Officer is, as you know, on leave, on the basis of the assurances provided personally to him by Will Kenyon that the Agresso material would be used only in connection with the Best Value Audit and that PWC would not be using the material for any other purpose other than should PWC be obliged to release the material to comply with a court order or other statutory provision, he is prepared to release the Agresso material with immediate effect.

This has been agreed with Mr Kenyon on the understanding that the outstanding clarifications that remain unanswered to the satisfaction of the Monitoring Officer are the subject of a meeting between LBTH and PWC next week or at the earliest opportunity following the return of the Monitoring Officer from Leave.

Furthermore he would like me to point out that it would be inappropriate and entirely counter-productive for any member of PWC to appear to threaten the Council's Monitoring Officer with possible criminal charges for obstruction or use language that could come close to being interpreted as such when the Monitoring Officer is engaged in his statutory duty. The role of the monitoring officers is protected by statute and there is a responsibility for PWC to manage this relationship with the appropriate level of respect and engage properly with any concerns raised. As we have established a good working relationship over these last few weeks we are keen to make sure that we build on that going forward.

On the basis of the above I have been instructed to release of the data with immediate effect.

Regards

**Robin Beattie**  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229  
Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
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London Borough of Tower Hamlets  
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London E14 2BG

**From:** [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
**Sent:** 02 May 2014 09:22  
**To:** Meic Sullivan-Gould  
**Cc:** [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com); Robin Beattie  
**Subject:** RE: FW: Agresso Data Request

Dear Mr Sullivan-Gould

Examples of legislation that we are subject to as a regulated firm of accountants include the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. As a general matter, we would hope that agreement of wording recognising that we are subject to such other legislation as may be relevant is not controversial.

I understand that the data was successfully copied to our encrypted disk overnight. We look forward to receiving it.

**Angus Brown**

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London WC2N 6RH

From: Meic Sullivan-Gould <[Meic.Sullivan-Gould@towerhamlets.gov.uk](mailto:Meic.Sullivan-Gould@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: Denzil A Coelho/UK/TLS/PwC@EMEA-UK, Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
Date: 01/05/2014 18:20  
Subject: RE: FW: Agresso Data Request

---

Mr Brown

What other legislation may be relevant? PwC is only appointed under the 1999 Act.

**Meic Sullivan-Gould**  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
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----- End of message text -----

PwC is proud to support the UK Government's GREAT Festivals of Creativity, helping drive growth and investment for British business.

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From: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com) [<mailto:denzil.a.coelho@uk.pwc.com>]  
Sent: 06 May 2014 18:41  
To: Shirley Hamilton; Robin Beattie  
Cc: [matt.joel@uk.pwc.com](mailto:matt.joel@uk.pwc.com); [laura.j.kippin@uk.pwc.com](mailto:laura.j.kippin@uk.pwc.com); [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com);  
[katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com)  
Subject: RE: Email Data Request

Shirley,

Further to my email last week regarding our Devices and UDrive data requests, I attach our technical requests which may answer some of the questions you have in advance of the meeting tomorrow. Please note, the custodians have not changed.

I have sent them to you directly so you can circulate as you see appropriate.

Kind regards,

Denzil

Denzil A Coelho

PwC | Senior Manager  
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Email: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
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1 Embankment Place, London, WC2N 6RH

From: Shirley Hamilton <[Shirley.Hamilton@towerhamlets.gov.uk](mailto:Shirley.Hamilton@towerhamlets.gov.uk)>  
To: Denzil A Coelho/UK/TLS/PwC@EMEA-UK, Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
Cc: Dylan B Whitfield/UK/CFR/PwC@EMEA-UK, Angus R Brown/UK/CFR/PwC@EMEA-UK, Andrew Chavez <[Andrew.Chavez@towerhamlets.gov.uk](mailto:Andrew.Chavez@towerhamlets.gov.uk)>, Ben Kelly <[ben.kelly@agilisys.co.uk](mailto:ben.kelly@agilisys.co.uk)>  
Date: 06/05/2014 09:32  
Subject: RE: Email Data Request

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Just to confirm from Friday evenings discussion, the session to tease out the detail of both the requirements of (i) archive material for certain people and (ii) the portable data/devices will take place with myself and Agilisys tomorrow, 7<sup>th</sup>, at 11am at MP.

Thank you,  
Shirley

Shirley Hamilton  
Head of ICT Client Team  
Resources Directorate, London Borough of Tower Hamlets, Mulberry Place, 5 Clove Crescent, London E14 2BG  
Tel: 020 7364 4901  
Mob: 07912 114 658  
Email: [Shirley.hamilton@towerhamlets.gov.uk](mailto:Shirley.hamilton@towerhamlets.gov.uk)  
Website: <http://www.towerhamlets.gov.uk>

From: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com) [<mailto:denzil.a.coelho@uk.pwc.com>]  
Sent: 02 May 2014 14:50  
To: Robin Beattie  
Cc: [dylan.b.whitfield@uk.pwc.com](mailto:dylan.b.whitfield@uk.pwc.com); Shirley Hamilton; [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
Subject: RE: Email Data Request

Robin,

Thanks for the email. I have just spoken to Shirley with regards to progress and understand that she is working with Agilisys to organise a meeting for an internal discussion with regards to our request and how it can be achieved. This meeting has been requested for 6th May but she is awaiting confirmation.

I will be on-site at Mulberry Place on Tuesday and look forward to discussing the request with the necessary people once the internal meeting has taken place.

Many thanks,

Denzil

Denzil A Coelho

PwC | Senior Manager  
Office: +44 (0)20 7804 2817 | Mobile: +44 (0)7725 706 596  
Email: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London, WC2N 6RH

From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Dylan B Whitfield/UK/CFR/PwC@EMEA-UK  
Cc: Denzil A Coelho/UK/TLS/PwC@EMEA-UK, "Shirley Hamilton" <[Shirley.Hamilton@towerhamlets.gov.uk](mailto:Shirley.Hamilton@towerhamlets.gov.uk)>  
Date: 02/05/2014 13:33  
Subject: RE: Email Data Request

---

Dylan

I have spoken to Shirley and She is engaging with Agilisys to determine when the meeting can happen. I am informed that this will require Shirley's presence and some senior Agilisys staff who do not work on Site. For these reasons and given that Shirley is not at work today the meeting will not, unfortunately, happen today. I have asked her to ensure that this happens as soon as possible next week and that our IT contractor is made aware of the priority that this request carries. I have asked Shirley to liaise directly with Denzil to establish the date for this meeting.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229

Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
Web: [www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

London Borough of Tower Hamlets  
Mulberry Place  
PO Box 55739  
5 Clove Crescent  
London E14 2BG

From: [dylan.b.whitfield@uk.pwc.com](mailto:dylan.b.whitfield@uk.pwc.com) [<mailto:dylan.b.whitfield@uk.pwc.com>]  
Sent: 02 May 2014 12:01  
To: Robin Beattie  
Cc: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
Subject: RE: Email Data Request

Robin

Thanks for your note. Will let Denzil deal with the technical aspects. Conscious that we are heading towards a bank holiday would be helpful if the technical conversation could happen today.

Also, please do also let me know about the Agresso data as we would like to start processing that at our end this afternoon.

Thanks  
Dylan.

Dylan B Whitfield

PwC  
Office: +44 (0)20 7213 5574 | Mobile: +44 (0)78 0345 5525  
Email: [dylan.b.whitfield@uk.pwc.com](mailto:dylan.b.whitfield@uk.pwc.com)  
PricewaterhouseCoopers LLP  
Embankment Place, One Embankment Place, London WC2N 6RH  
<http://www.pwc.com/>

From: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
To: Denzil A Coelho/UK/TLS/PwC@EMEA-UK  
Cc: Shirley Hamilton <[Shirley.Hamilton@towerhamlets.gov.uk](mailto:Shirley.Hamilton@towerhamlets.gov.uk)>, Angus R Brown/UK/CFR/PwC@EMEA-UK, Matt Joel/UK/ABAS/PwC@EMEA-UK, Katie L Mills/UK/ABAS/PwC@EMEA-UK, Dylan B Whitfield/UK/CFR/PwC@EMEA-UK, Stephen Halsey <[Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk)>, Meic Sullivan-Gould <[Meic.Sullivan-Gould@towerhamlets.gov.uk](mailto:Meic.Sullivan-Gould@towerhamlets.gov.uk)>  
Date: 02/05/2014 11:57  
Subject: RE: Email Data Request

---

Hi Denzil,

We too are keen to ensure that the requested material is provided to you as swiftly as possible. Initial dialogue with our ICT, however, indicates that your technical requests present us with certain technical difficulties that need discussion with you and the time line, even with very best efforts, will not be possible given the volume and complexity of data involved. Hence my suggestion of a technical meeting to discuss the approach.

We will get back to you shortly with suggested meeting arrangements.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229  
Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
Web: [www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

London Borough of Tower Hamlets  
Mulberry Place  
PO Box 55739  
5 Clove Crescent  
London E14 2BG

From: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com) [<mailto:denzil.a.coelho@uk.pwc.com>]  
Sent: 02 May 2014 11:20  
To: Robin Beattie  
Cc: Shirley Hamilton; [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com); [matt.joel@uk.pwc.com](mailto:matt.joel@uk.pwc.com);  
[katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com); [dylan.b.whitfield@uk.pwc.com](mailto:dylan.b.whitfield@uk.pwc.com)  
Subject: Fw: Email Data Request

Robin,

Further to your call with Dylan this morning, I understand that your IT team would like to discuss the provisioning of our Email data request.

Please advise the appropriate individual to contact me as soon as possible to avoid any delay in providing the data to us. Best numbers to contact me on are 020 7804 2817 or 07725 706 596.

I look forward to speaking with them.

Many thanks,

Denzil

Denzil A Coelho

PwC | Senior Manager  
Office: +44 (0)20 7804 2817 | Mobile: +44 (0)7725 706 596  
Email: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London, WC2N 6RH

----- Forwarded by Denzil A Coelho/UK/TLS/PwC on 02/05/2014 11:14 -----

From: Denzil A Coelho/UK/TLS/PwC  
To: [Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk), [Shirley.Hamilton@towerhamlets.gov.uk](mailto:Shirley.Hamilton@towerhamlets.gov.uk)  
Cc: Angus R Brown/UK/CFR/PwC@EMEA-UK, Katie L Mills/UK/ABAS/PwC@EMEA-UK  
Date: 01/05/2014 15:37  
Subject: Email Data Request



Robin/Shirley,

Further to our recent conversations with regards to data, please find attached a request for Email data.

[attachment "20140501\_LBTH\_EmailDataRequest1\_Memo1.pdf" deleted by Denzil A Coelho/UK/TLS/PwC] [attachment "20140501\_LBTH\_EmailDataRequest1\_Memo2.pdf" deleted by Denzil A Coelho/UK/TLS/PwC] [attachment "20140501\_LBTH\_EmailDataRequest1\_Appendix.pdf" deleted by Denzil A Coelho/UK/TLS/PwC]

Kind regards,

Denzil

Denzil A Coelho

PwC | Senior Manager  
Office: +44 (0)20 7804 2817 | Mobile: +44 (0)7725 706 596  
Email: [denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London, WC2N 6RH

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## Appendix

The tables below list the custodians in relation to our Laptop, Desktop and Mobile Devices Data Request.

### Councillor custodians

Councillor	Ward
A M Ohid Ahmed	East India and Lansbury
Abdul Asad	Whitechapel
Ahmed Omer	Bow East
Alibor Choudhury	Shadwell
Ann Jackson	Bow West
Bill Turner	Mile End and Globe Town
Carli Harper-Penman	Bow East
Carlo Gibbs	Bethnal Green North
Gulam Robbani	Spitalfields and Banglatown
Helal Uddin	Bromley by Bow
Helal Uddin Abbas	Spitalfields and Banglatown
Joshua Peck	Bow West
Kabir Ahmed	Weavers
Maium Miah	Millwall
Marc Francis	Bow East
Mizan Chaudhury	Bethnal Green South
Motin Uz-Zaman	Mile End East
Oliur Rahman	St. Dunstan's and Stepney Green
Rabina Khan	Shadwell
Rachael Saunders	Mile End East
Rania Khan	Bromley by Bow
Rofique Uddin Ahmed	Mile End and Globe Town
Shafiqul Haque	St. Katharine's and Wapping
Shahed Ali	Whitechapel
Sirajul Islam	Bethnal Green South
Stephanie Eaton	Bethnal Green North

LBTH Officers

Alam Mazharul	Lutfur Rahman
Aman Dalvi	Matthew Mannion
Andy Bamber	Meic.Sullivan-Gould
Andy Scott	Misthahul Islam
Ann Sutcliffe	Mohammed Chibou
Anne Canning	Murziline Parchment
Barry Scarr	Numan Hussain
Bozena Allen	Ohid Ahmed
Chris Holme	Owen Whalley
Colin Cormack	Poppy Noor
Dave Clark	Richard Lungley
David Galpin	Richard Murrell
Deborah Cohen	Robert McCulloch-Graham
Ellie Kuper Thomas	Robin Beattie
Gulshan Begum	Ruhana Ali
Helen Wilson	Sayed Khan
Jakie Odunoye	Shazia Hussain
Jamie Blake	Sima Begum
John S Williams	Simon Kilby
Josaphine Campbell	Somen Banerjee
Kate Bingham	Stephen Halsey
Kevin Miles	Steve Liddicot
Laraine Clay	Takki Sulaiman
Louise Russell	Zamil Ahmed



---

## ***Memo***

To: / Location: Robin Beattie, Shirley Hamilton / London Borough of Tower Hamlets

From: / Location: LBTH Inspectors / London, Embankment Place

Date: 6<sup>th</sup> May 2014

Subject: U Drive Data Request

This memo serves as a technical data request for U drive data held for the London Borough of Tower Hamlets (“LBTH”).

It is our current understanding that the U drive is a restricted area where a member of the Council or an LBTH employee can store data.

### Data

For each user listed in the attached Appendix, please provide the following;

- a. A restore of the U drive data as at 31<sup>st</sup> March 2014.

You are required to restore the requested data and then copy the data to a USB hard drive provided by us.

### Media

PwC will provide external USB hard drives of sufficient capacity to hold all relevant data. The data requested will only leave LBTH’s office in a securely encrypted format.

### Additional Information and logs

To help us verify the completeness and consistency of the data, we also request the following:

- Restore logs for the system that you use to restore and extract the information we require. This includes the tape restore logs and the extraction logs (for each custodian).
- As data will be extracted from tape and then transferred to the USB hard drives, we require that you use Fast Copy (with verify mode) to copy the exports from their original location to the external hard drive. Fast Copy is free to use and can be downloaded from the following location: [http://download.cnet.com/FastCopy/3000-2248\\_4-10905019.html](http://download.cnet.com/FastCopy/3000-2248_4-10905019.html)
- The logs provided should include:
  - A copy of the logs from the restore and extraction system used.

---

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- 
- Copies of the Fast copy logs including MD5 hashes for data transported from servers to the USB external hard drive (see below).

- If you believe you are unable to provide logs, please advise Denzil Coelho ([denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)) immediately in order to discuss alternative options.
- Detailed contemporaneous notes must be taken at all steps.

#### Delivery

Once the data capture exercise has been completed please contact Denzil Coelho ([denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)) who will organise for the data to be collected. Please ensure that along with the PST files that the following is provided on the USB hard drive:

- A log (excel spreadsheet) of the contents of the drive detailing the custodian name, folder name and file size;
- A copy of the Restore Log;
- Fast Copy logs as created whilst moving the U drive data from restore location to the external hard drive; and
- The various artefacts from the exports as described above should be placed into the following directory structure:
  - CUSTODIANNNAME\_RESTOREDATE
    - 01\_U Drive Data
      - 001\_DATA
      - 002\_RESTORE LOG
  - FASTCOPY\_LOGS



---

## ***Memo***

To: / Location: Robin Beattie, Shirley Hamilton/ London Borough of Tower Hamlets

From: / Location: LBTH Inspectors / London, Embankment Place

Date: 6<sup>th</sup> May 2014

Subject: Laptop/Desktop and Mobile Device Data Request

This memo serves as a technical data request for forensic images of the custodian's laptop, desktop (where applicable) and mobile devices.

### Laptop/Desktop

For each user listed in the attached Appendix, please provide the following;

- a. For each of the laptops and desktops we require a bit for bit forensic image copy of the HDD(s) present.
- b. The image should be provided in either E01 or DD format.
- c. It is our understanding that the laptops are encrypted. These must be imaged in a decrypted format.
- d. An MD5 hash of the forensic image must be provided alongside a verification MD5 hash. These hashes must match. If these hashes do not match then data on the HDD could have been changed, and would not therefore represent a true and accurate copy of the original – as required by evidential continuity standards.
- e. Photographs must be taken of all angles of the laptop and front/back of the HDD. These photographs must be clear and all text must be readable.
- f. Detailed contemporaneous notes must be taken at all steps.
- g. Chain of custody documentation showing the custody and control of each item throughout its evidential life.

### Mobile Devices

There are three potential components for a mobile device. These are a SIM card, memory card and the physical device.

For each user listed in the attached Appendix, please provide the following;

### SIM Card

---

*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH  
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- 
- a. A full download to extract all user data from the SIM card using mobile forensic tools such as XRY and CelleBrite.
  - b. The download should be provided in either XRY or UFED format.
  - c. Photographs must be taken of the front and rear of the SIM card. These photographs must be clear and all text must be readable.
  - d. Detailed contemporaneous notes must be taken at all steps.
  - e. Chain of custody documentation showing the custody and control of each item throughout its evidential life.

#### Memory Card (where applicable)

- a. Where memory cards are found to be present, they require a bit for bit forensic image copy.
- b. The image should be provided in either E01 or DD format.
- c. An MD5 hash of the forensic image must be provided alongside a verification MD5 hash. These hashes must match. If these hashes do not match then it is possible that data has been changed, and would not therefore represent a true and accurate copy of the original – as required by evidential continuity standards.
- d. Photographs must be taken of the front and rear of the Memory Card. These photographs must be clear and all text must be readable
- e. Detailed contemporaneous notes must be taken at all steps.
- f. Chain of custody documentation showing the custody and control of each item throughout its evidential life.

#### Physical Devices

- a. For each of the mobile devices we require a forensic download using mobile forensic. These tools will recover all user data including deleted items.
- b. The image should be provided in either XRY or UFED format.
- c. Photographs must be taken of the front and rear of the device as well as all applications installed on the device, IMEI on the label and IMEI of the device using \*#06#. These photographs must be clear and all text must be readable.
- d. If the device is a BlackBerry, a photograph must be taken of the database sizes screen as this shows how much data is stored on the device. This is typically found within Device and Status Information in settings.
- e. Detailed contemporaneous notes must be taken at all steps.





- 
- f. Chain of custody documentation showing the custody and control of each item throughout its evidential life.

#### Media

PwC will provide external USB hard drives of sufficient capacity to hold all relevant data. The data requested will only leave LBTH's office in a securely encrypted format.

Drives will be encrypted using Truecrypt 7.0a. before any data is added with a defined password. Each drive will be encrypted and all passwords will be in excess of 20 characters (made up of numbers and letters). A copy of Truecrypt can be downloaded from <http://www.truecrypt.org/pastversions>.

#### Additional Information and logs

To help us verify the completeness and consistency of the data, we also request the following:

- It is possible that the data will be extracted and then transferred to the USB hard drives so therefore we require that you use Fast Copy (with verify mode) to copy the exports from their original location to the external hard drive. Fast Copy is free to use and can be downloaded from the following location: [http://download.cnet.com/FastCopy/3000-2248\\_4-10905019.html](http://download.cnet.com/FastCopy/3000-2248_4-10905019.html)
- The logs provided should include:
  - MD5 hash logs for each laptop, desktop, memory card image which must show the verification hash matches the acquisition hash.
  - Copies of the Fast copy logs including hashes for data transported from original location to the USB external hard drive (see below).
- If you believe you are unable to provide logs, please advise Denzil Coelho ([denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)) immediately in order to discuss alternative options.

#### Delivery

Once the data capture exercise has been completed please contact Denzil Coelho ([denzil.a.coelho@uk.pwc.com](mailto:denzil.a.coelho@uk.pwc.com)) who will organise for the data to be collected. Please ensure that along with the Image files that the following is provided on the USB hard drive:

- A log (excel spreadsheet) of the contents of the drive detailing the custodian name, data type (laptop, desktop, SIM Card, Memory Card, Mobile Device), Size of data type, MD5 hash and Verification MD5 hash where applicable.
- Fast Copy logs as created whilst moving any files from their original location to the external hard drive; and
- The various artefacts from the exports as described above should be placed into the following directory structure:



- 
- CUSTODIANNAME\_DATEOFIMAGE
    - 01\_LAPTOP/DESKTOP
      - 001\_IMAGE
      - 002\_PHOTOGRAPHS
      - 003\_VERIFICATION REPORT
    - 02\_MobileDevice
      - 001\_SIM CARD
      - 002\_MEMORY CARD
      - 003\_MOBILE DEVICE
      - 004\_PHOTOGRAPHS
  - FASTCOPY\_LOGS
  - CONTEMPORANEOUS NOTES

## Appendix

The tables below list the custodians in relation to our Laptop, Desktop and Mobile Devices Data Request.

### Councillor custodians

Councillor	Ward
A M Ohid Ahmed	East India and Lansbury
Abdul Asad	Whitechapel
Ahmed Omer	Bow East
Alibor Choudhury	Shadwell
Ann Jackson	Bow West
Bill Turner	Mile End and Globe Town
Carli Harper-Penman	Bow East
Carlo Gibbs	Bethnal Green North
Gulam Robbani	Spitalfields and Banglatown
Helal Uddin	Bromley by Bow
Helal Uddin Abbas	Spitalfields and Banglatown
Joshua Peck	Bow West
Kabir Ahmed	Weavers
Maium Miah	Millwall
Marc Francis	Bow East
Mizan Chaudhury	Bethnal Green South
Motin Uz-Zaman	Mile End East
Oliur Rahman	St. Dunstan's and Stepney Green
Rabina Khan	Shadwell
Rachael Saunders	Mile End East
Rania Khan	Bromley by Bow
Rofique Uddin Ahmed	Mile End and Globe Town
Shafiqul Haque	St. Katharine's and Wapping
Shahed Ali	Whitechapel
Sirajul Islam	Bethnal Green South
Stephanie Eaton	Bethnal Green North

LBTH Officers

Alam Mazharul	Lutfur Rahman
Aman Dalvi	Matthew Mannion
Andy Bamber	Meic.Sullivan-Gould
Andy Scott	Misthahul Islam
Ann Sutcliffe	Mohammed Chibou
Anne Canning	Murziline Parchment
Barry Scarr	Numan Hussain
Bozena Allen	Ohid Ahmed
Chris Holme	Owen Whalley
Colin Cormack	Poppy Noor
Dave Clark	Richard Lungley
David Galpin	Richard Murrell
Deborah Cohen	Robert McCulloch-Graham
Ellie Kuper Thomas	Robin Beattie
Gulshan Begum	Ruhana Ali
Helen Wilson	Sayed Khan
Jakie Odunoye	Shazia Hussain
Jamie Blake	Sima Begum
John S Williams	Simon Kilby
Josaphine Campbell	Somen Banerjee
Kate Bingham	Stephen Halsey
Kevin Miles	Steve Liddicot
Laraine Clay	Takki Sulaiman
Louise Russell	Zamil Ahmed

## Meic Sullivan-Gould

---

**From:** Meic Sullivan-Gould  
**Sent:** 07 May 2014 11:57  
**To:** 'angus.r.brown@uk.pwc.com'; 'will.kenyon@uk.pwc.com'  
**Cc:** Robin Beattie  
**Subject:** FW: \*Confidential: Fw: RE: Inspection: Draft document re working arrangements & statutory framework: Confidential  
**Attachments:** LBTH-working arrangements for inspection-23Apr14.docx

Mr Brown

You will know from the parallel exchanges about the Agresso Data Request that the Council has been advised by counsel about the content of the Engagement Protocol and is particularly concerned about liability to allegations of Data Protection Act breaches. I do not need to repeat, I think, that the Council does see a need to safeguard the personal data that it is responsible for and hope that you can see that the assurances sought from PWC about respecting the rights of the data subjects was intended to smooth the path of your inspection rather than create a blockage. It is accepted that as a professional firm, PWC, like the Council, has certain obligations to make appropriate reports to prosecuting authorities and there is no intention to prevent your company from complying with such. Any other release of personal data must however respect the Data Protection principles and, where required, the consent of the Data Subjects must be sought and obtained before there is any "processing" of that data – which of course includes it being viewed by unauthorised persons.

In similar spirit the Council had made a series of suggestions about how the interviews with staff and others was going to be handled. Those suggestions were based on experience of dealing with Tower Hamlets staff (and their Unions) who may be witnesses to or potentially implicated in events that are being investigated. They are the sort of safeguards that staff and unions have come to expect. You have not explained the reasons why those suggestions (about recording, accompaniment & advance notice of documents to be referred to) have only been partially accepted (ie only used in "exceptional" cases) and have not indicated when those safeguards would be appropriate. In the absence of audio recording, challenges will arise about how questions and answers are going to be recorded, who by and whether the interviewee will be able to confirm or challenge the accuracy of the record taken. These challenges are likely to slow down your process rather than assist in smoothing progress.

Your response to the Council's draft introduces the concept of a "Requirement of Confidentiality" – that phrase is not explained in any way nor how it can be meshed with the obligation of confidentiality that is within Council officers' terms and conditions of employment. In passing I should say that any expectation you may have of having confidential discussions with elected members of the Council should be set at a very low level – experience here is that if a politician can glean information that they can use against someone they are in political opposition with (and that may be within the same party!); they will not hesitate to do so. The measures that were previously available to enforce confidentiality of Council information against elected members were swept away by the Localism Act. What does your "Requirement of Confidentiality" entail?

The Audit Commission had a Code of Audit Practice – I think that the last one approved by Parliament for Local Government Bodies was in March 2010 - <http://archive.audit-commission.gov.uk/auditcommission/sitecollectiondocuments/MethodologyAndTools/Guidance/20100310lgcodeofauditpractice.pdf> - Is there any reason why we should not accept that as the starting point for your engagement with the Council?

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)

From: [will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com) [<mailto:will.kenyon@uk.pwc.com>]  
Sent: 09 May 2014 18:41  
To: Meic Sullivan-Gould  
Cc: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com); Robin Beattie  
Subject: RE: FW: Email Data Request  
Importance: High

Meic,

Thank you for this and thanks again to both you and Robin for this morning's discussion. I have already briefed members of the team to provide more explanation of our requests, which I hope will assist. I look forward to further dialogue with you as matters progress.

In the meantime, have a good weekend.

Best regards

Will

Will Kenyon

PwC | Partner  
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1 Embankment Place, London WC2N 6RH  
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---

From: Meic Sullivan-Gould <[Meic.Sullivan-Gould@towerhamlets.gov.uk](mailto:Meic.Sullivan-Gould@towerhamlets.gov.uk)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK, Will Kenyon/UK/CFR/PwC@EMEA-UK  
Cc: Robin Beattie <[Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk)>  
Date: 09/05/2014 18:01  
Subject: RE: FW: Email Data Request

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Will & Angus

Thank you for listening so patiently this morning to my concerns about firstly the legality of the Secretary of State's decision (in the absence of any explanation or reasons) for directing the Extraordinary Audit of the Council (which will be of passing interest to you but fundamentally affects the legality of even your firm's presence at the Council); secondly, my concerns that your audit is straying beyond the scope of assessing whether the Council's arrangements for continuous improvement and consultation under Part 1 of the 1999 Act are compliant with that Act and, thirdly, my concerns that your approach is not a reasonable one given the very limited number of functions which the Secretary of State has directed you to consider and the breadth of your firm's data requests which encompass many more of the Council's functions (including those that are supervised by Central Government Departments other than DCLG).

Notwithstanding my concerns about the fundamental legality of your audit, which have been taken up directly with DCLG, I recognise that your firm has been asked to do a task and that it may be that the Secretary of State can satisfy the Council that his reasons for the Extraordinary Audit are reasonable and rational so it would not be in the interests of yourselves or the Council to unduly disrupt the processes that have started and have generally been undertaken amicably and well. However, since our meeting I have reviewed the outstanding requests for data and documents in the

light of the second and third concerns outlined above and I have instructed staff to seek further information and clarifications from yourselves before commissioning the assembly and delivery of what are in some cases massive amounts of data. This does not by any means apply to all the outstanding information requests and where I can see that the link to Part 1 functions and one or more of the DCLG specified functions is obvious then I have authorised the release of those documents. Your colleagues will receive specific requests for clarification on 8 of the outstanding requests and I would be grateful if you would encourage your team to provide the requested responses. Their answers may lead to further discussions but I think it will become clear from this process as to where the possible problems are.

I am reviewing new information requests daily and will clear or question them as soon as they arrive, so far as I am able to do so. You may want to advise your staff as to these new arrangements and ask them to note the criteria against which their requests will be considered.

I hope that you will find that helpful.

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801  
Email [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
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From: Robin Beattie  
Sent: 02 June 2014 11:45  
To: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
Cc: Meic Sullivan-Gould; Stephen Halsey  
Subject: Clarification specific to Audit

Dear Angus

As you are aware I sought and secured clarification from you on how we should interpret your initial information / document requirement attached to your letter dated 4<sup>th</sup> April 2014 to Mr Halsey specific to the use of the term Affiliated entity or agent of LBTH. You were of the view that Tower Hamlets Homes was an Affiliated entity / Agent of LBTH and therefore must be covered by the information /document requirement.

We are now in receipt of a letter from the Chair of Tower Hamlets Homes (THH) that points out the issue we had also raised with you at our joint meeting with Meic Sullivan Gold. Specifically that THH is not a Best Value Authority as defined by the 1999 Act. In order to facilitate fast and unhindered cooperation from THH I am keen to secure rapid clarification of this point as it is a matter that is troubling them and one that we ourselves are inclined to agree with.

I would ask you to confirm that it is, therefore, within your power as inspectors appointed under the 1999 Act to include THH governance within the scope of your audit and that you are able to lawfully conduct a best value audit on an organisation (in this case THH) that is not a designated Best Value Authority. If you conclude that you are, or that we are mistaken in our understanding that an ALMO is not a Best Value Authority, then I would ask you to provide your legal rationale underpinning that conclusion so that we may understand it. If, however, you are of the view that this was an oversight on the part of PWC, can you confirm what you intend doing with the THH information we and THH have, in good faith, so far provided to you.

Regards

Robin Beattie  
Service Head Strategy and Resources  
Communities, Localities & Culture  
6<sup>th</sup> Floor, Mulberry Place  
Tel: 020 7364 4229  
Email: [robin.beattie@towerhamlets.gov.uk](mailto:robin.beattie@towerhamlets.gov.uk)  
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From: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com) [<mailto:angus.r.brown@uk.pwc.com>]  
Sent: 13 June 2014 19:37  
To: [meicsg@aol.com](mailto:meicsg@aol.com)  
Cc: Meic Sullivan-Gould; Robin Beattie; Stephen Halsey; [will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com)  
Subject: Re: Outstanding Data Requests

Dear Mr Sullivan-Gould

Many thanks for the note below, including the clarification concerning the certification point. I agree that a meeting is likely to be very helpful in dealing with any remaining lack of clarity you may concerning the basis for any outstanding information requests.

Unfortunately I am now away until Thursday however Will Kenyon would be keen to meet you as soon as diaries allow next week. Will is available on Monday afternoon. Please let us know if that works with you, or alternatively liaise with him directly to agree an alternative date.

Regards

Angus Brown

PwC | Director  
Office: 0207 2124687 | Mobile: 07986573746  
Email: [angus.r.brown@uk.pwc.com](mailto:angus.r.brown@uk.pwc.com)  
PricewaterhouseCoopers LLP  
1 Embankment Place, London WC2N 6RH

From: Meic Sullivan-Gould <[meicsg@aol.com](mailto:meicsg@aol.com)>  
To: Angus R Brown/UK/CFR/PwC@EMEA-UK  
Cc: [Stephen.Halsey@towerhamlets.gov.uk](mailto:Stephen.Halsey@towerhamlets.gov.uk), [Robin.Beattie@towerhamlets.gov.uk](mailto:Robin.Beattie@towerhamlets.gov.uk), [meic.sullivan-gould@towerhamlets.gov.uk](mailto:meic.sullivan-gould@towerhamlets.gov.uk)  
Date: 13/06/2014 17:59  
Subject: Outstanding Data Requests

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Dear Mr Brown

Please forgive this message from my private email address. I have had to leave the office to deal with a family issue (now resolved, happily) but it means that I need to use this to deal with an issue which Robin Beattie has told me about following your meeting this afternoon. I understand that the matter of the requested JDE material was raised. As you know we have this ready to go but your request for it has been the subject of a request for clarification by me in my capacity as Monitoring Officer regarding how this now historic information relates to the powers used to instigate the audit and so has been put on hold until a satisfactory response has been received.

It is my understanding that the matters specific to the requirement for certification have been resolved following your clarification to us that you were not legally obliged to certificate requests and were not prepared to do so. I understand that some references were made today by your staff that indicated that there was still a belief that certification was an issue. For the avoidance of doubt, it isn't. You will be aware no further requests for certification have been made as a result of your position being made clear to us. There is still, however, a requirement for PwC to clarify the lawfulness of those requests identified by me as not obviously aligned to the 1999 Act. This would include the JDE material.

You will be aware that on all other matters we continue to facilitate the audit effectively. We are keen to release the remaining material subject to securing the required level of clarification. Whilst I understand the temptation, in a pressured environment, to adopt a short 'one size fits all' standard response to any request for clarification my queries were specific to widely differing information and data requests and this is not, perhaps, the most effective way to engage with my concerns and resolve them. I see no obvious reason why you would not be able to establish the lawfulness of your requests sufficient to satisfy me in my capacity as Monitoring Officer and allow us to release the data to you, assuming that you are clear about the legal basis for those requests. In an attempt to get us to the point where we can transfer the outstanding material to you can I suggest that you agree to meet with me and go through each outstanding information request to establish the necessary legal pathway back to the powers under which you those requests have been made. If you are willing to do this we can set up that meeting swiftly.

Meic Sullivan-Gould  
Interim Monitoring Officer  
London Borough of Tower Hamlets  
[meicsg@aol.com](mailto:meicsg@aol.com)

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From: [will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com) [<mailto:will.kenyon@uk.pwc.com>]  
Sent: 17 June 2014 19:10  
To: Meic Sullivan-Gould  
Cc: [katherine.l.gillespie@uk.pwc.com](mailto:katherine.l.gillespie@uk.pwc.com); Robin Beattie  
Subject: RE: FW: Outstanding Data Requests  
Importance: High

Meic,

Thank you for a constructive meeting today. As discussed, I am writing to set out the rationale for our request for the JD Edwards data. I am also taking the opportunity to confirm a few of the other key points arising from our discussion.

### **JD Edwards data request**

As I explained during the meeting, our Inspection covers the period from October 2010 to the date of our appointment. The JD Edwards system was in place for the majority of that period and is the one complete source for accounting and financial data for that portion of the period.

You have provided us with access to data from the current Agresso system, which has enabled us to carry out a variety of queries and analytical procedures of assistance to our Inspection. I appreciate that the JD Edwards system is "historic" in terms of the system itself.

However the content of that system - the data we have requested - is just as relevant to our review as the Agresso data and cannot be regarded as "historic" in the same sense, given that it relates to transactions that took place within the period covered by the Inspection. Use of this data will help us, for example, to determine our total population of grant payments and spending in respect of publicity. The data will also help us form a view as to the operations of the council throughout the relevant period and set transactions in context. Furthermore, in our testing of Agresso transactions the account structure behind a transaction often helps us to determine a transaction's purpose so as to be able to determine relevance.

I must reiterate what I said in today's meeting, namely that I would have to view lack of access to the requested JD Edwards data as a significant limitation on the scope of the Inspection.

### **Interviews**

You indicated that you were content with the list of interviews and that you and our Robin will facilitate arrangements. We understand two individuals that we requested to meet are no longer with the Council. As discussed we would be grateful if you could still explore their availability in principle to speak to us.

### **Other matters**

We discussed the following 4 legal and hard copy files and we understand all will be made available to us for review:

- i) Poplar Town Hall;
- ii) Limehouse Library;
- iii) Sutton Street depot; and
- iv) 111 – 113 Mellish Street.

We will provide more clarity on point 143 re Mayor's advisors and the rationale behind our request.

You will send us a copy of the Mazar's report re Poplar Town Hall as soon as it is available. In the meantime we will review the Motion to council to determine scope.

Regards

Will

Will Kenyon

PwC | Partner  
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Email: [will.kenyon@uk.pwc.com](mailto:will.kenyon@uk.pwc.com)  
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From: [katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com) [<mailto:katie.l.mills@uk.pwc.com>]  
Sent: 17 June 2014 17:43  
To: Robin Beattie; Thorsten Dreyer; Oscar Ford  
Cc: [katherine.l.gillespie@uk.pwc.com](mailto:katherine.l.gillespie@uk.pwc.com); [james.s.tweddle@uk.pwc.com](mailto:james.s.tweddle@uk.pwc.com)  
Subject: PwC update 17/06/2014

All,

Please see below our update for today.

## 1. Clarification Points

- Item 142 - thank you for the further information from Zamil. We do not require any further information in relation to this request.
- Item 145 and 146 - I have spoken to the team and we have checked all of the transactions (c15k transactions in relation to request 145 and 6 transactions for request 146) in the Agresso financial data provided, however we are unable to ascertain the nature of the transactions from this information. Therefore these two requests remain unchanged. (Please note there was an error in the previous email from Louise Gault which incorrectly referred to item numbers 146 and 147, this relates to items 145 and 146).

## 2. New Information Requests

This is the list of new documents to be requested.

Item Description	Relevance of request
178 Contracts - Invoice 125639 / Arthur Mckay & Co: The value posted to the CLC cost centre is £12,543.60, we therefore understand that this is a level 2 contract. Please can you confirm whether this is correct and provide all supporting documentation for the tender process including: details of suppliers invited to quote; explanation of how these suppliers were selected; copies of the invitations to quote; quotations received; any documents relating to the evaluation of the quotes, and details of the contract award.	The letter to Stephen Halsey dated 4 April 2014 refers to our appointment by the Secretary of State to carry out an inspection of the compliance of the authority with the requirements of Part 1 of the Local Government Act 1999 in relation to the authority's functions with respect of governance, particularly the authority's functions under S151 of the Local Government Act 1972
179 Grants - All papers supporting the MSG 12-15 awards to The Attlee Foundation (CFS-27 and ASES- 75)	The letter to Stephen Halsey dated 4 April 2014 refers to our appointment by the Secretary of State to carry out an inspection of the compliance of the authority with the requirements of Part 1 of the Local Government Act 1999 in relation to the authority's functions with respect of governance, particularly the authority's functions under S151 of the Local Government Act 1972

Many Thanks

Katie

Katie Mills

PwC | Forensic Services  
Office: + 44 (0) 207 212 5849 | Mobile: +44 (0) 7808 035 607

Email: [katie.l.mills@uk.pwc.com](mailto:katie.l.mills@uk.pwc.com)  
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## Dee Burnett

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**From:** will.kenyon@uk.pwc.com  
**Sent:** 20 June 2014 16:56  
**To:** Meic Sullivan-Gould  
**Cc:** Chris Holme; katherine.l.gillespie@uk.pwc.com; Robin Beattie; angus.r.brown@uk.pwc.com  
**Subject:** RE: FW: Outstanding Data Requests  
**Importance:** High

Meic,

Thank you for this. We will take steps to obtain the data as soon as possible.

Regards

Will

**Will Kenyon**

PwC | Partner  
Office: +44 (0)20 7212 2623 | Mobile: +44 (0)7764 235287 | Fax: +44 (0)20 7822 4652  
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---

**From:** Meic Sullivan-Gould <Meic.Sullivan-Gould@towerhamlets.gov.uk>  
**To:** Will Kenyon/UK/CFR/PwC@EMEA-UK  
**Cc:** Katherine L Gillespie/NI/UK/CFR/PwC@EMEA-UK, Robin Beattie <Robin.Beattie@towerhamlets.gov.uk>, Chris Holme <Chris.Holme@towerhamlets.gov.uk>  
**Date:** 20/06/2014 15:31  
**Subject:** RE: FW: Outstanding Data Requests

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Mr Kenyon

Thank you for your explanation of your reasons for requesting sight of the JDE data. In that your audit was specifically addressed to the governance of processes rather than the execution of those processes it is not accepted that you need to see "the complete universe" of financial transactions undertaken by the Council – a sampling exercise (which you have undertaken in respect of other transactions) would have been sufficient to enable you to issue an assurance that the governance arrangements were being followed. Reliance on the reliable Agresso data which you have had for a number of weeks now would in my view amount to a more than reasonable sample for you to draw conclusions on the sufficiency of and compliance with the Council's current governance arrangements for grant making, property transactions, contracts and publicity so I have to reserve the council's position on whether this is a lawful and reasonable request. Having said that, we would not want to prevent you from giving the Council the clear bill of health that officers consider is appropriate and on that basis I have (by copy of this email) advised Chris Holme that he should release the RDE data to you today.

However you should approach that data with some caution: I have previously explained that you must appreciate that the RDE system was replaced by the Council because it was not going to be able to do the job that the Section 151 Officer needed it to do – provide a single version of the accounting truth for the whole of the Council's activities and that accordingly there is not absolute confidence that the RDE data is reliable. It would not be impressive for your Audit to merely confirm what we already know to be the deficiencies of the RDE system and its data. A summary of the rationale for the substitution of the JDE system is attached.

Meic Sullivan-Gould  
Interim Monitoring Officer  
Law, Probity and Governance Department

Tel 020 73644801

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Paul Rowsell, Esq  
Deputy Director – Democracy  
Department for Communities and Local Government  
3/J1 Eland House  
Bressenden Place  
London SW1E 5DU

27 June 2014

Dear Paul

### **Inspection of the London Borough of Tower Hamlets**

I write pursuant to the appointment of PricewaterhouseCoopers LLP (“PwC” or “we”) by the Secretary of State for Communities and Local Government dated 4 April 2014 to conduct an inspection (“the Inspection”) of the London Borough of Tower Hamlets (“LBTH” or “the Council”) under section 10 of the Local Government Act 1999. In the letter of appointment, we were directed to report our findings from the Inspection by 30 June or such later date as might be agreed between us and the Secretary of State. This flexibility reflected the inherent uncertainties at the outset of the Inspection. Examples of these uncertainties included the volume and ease of access of information that might need to be examined; the extent, nature and implications of any issues that might emerge; and the level of co-operation we would receive from the Council.

Further to our regular and on-going discussions concerning the progress of the Inspection, I am writing to confirm that we will not be in a position to conclude the Inspection and report to the Secretary of State by 30 June 2014.

We have kept you informed over the course of the Inspection of, amongst other matters, the extent of co-operation of the Council and its responsiveness or otherwise to our requests for information and documentation. Whilst it should be recognised that the Council has provided substantial amounts of information and documentation, there have been in some cases considerable delays in its doing so and a number of requests for information or documentation that is potentially significant to the Inspection remain outstanding.

I attach to this letter a schedule which sets out some significant examples of such delays. I think these speak for themselves, but I would highlight by way of illustration the example of the JD Edwards data – the first item on this list. This was a request for basic financial data from the legacy accounting system of the Council, which covered much of the relevant period of the Inspection. As such it is, in our view, of fundamental importance to the Inspection. This request was made on 29 April but the data was not provided to us until 20 June.

The impact of the time it has taken for information to be produced, particularly given the volume of information that we need to consider has been not only to slow the general progress of the Inspection; but also to delay us in seeking to schedule interviews with individuals within the Council, which is a

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critical element of the Inspection. In order to conduct these interviews efficiently and effectively, we need to have the relevant information and documentation to enable us to identify issues for enquiry and thereby prepare for the interviews. Accordingly, we have only recently been in a position to request interviews with a range of individuals and these are now in the process of being scheduled. Like any other aspect of the Inspection, this will be an iterative process, and we may need to seek further interviews, depending on the outcome of those we are currently working to arrange, as well as properly assimilating the information and documentation we have recently received or may yet still receive.

In light of the above, you will understand that at the present moment I am not in a position to give a precise estimate of when the Inspection will be concluded. We will, of course, continue to keep the situation under close review and keep you informed as matters progress.

Yours sincerely

A handwritten signature in blue ink that reads 'Will Kenyon'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Will Kenyon  
Partner

**Examples of delayed information requests**

Item number	Area	Document/information requested	Date Requested	Date Received	Comments
63	General	Data on JD Edwards system.	29/04/2014	20/06/2014	Significant communications on this between us and LBTH.
101	Grants	List of the eight organisations under investigation by Internal Audit and the status of these investigations.	07/05/2014		Information remains outstanding.
104	Property Disposals	The legal files for 40 property transactions.	07/05/2014	20/06/2014	Certificate requested by LBTH.  LBTH legal department raised questions re privilege on 04/06/2014. We responded on 11/06/2014.
137	General	A list of all investigations, reviews, or similar conducted by Internal Audit, External Audit or external consultants in relation to processes or transactions in relation to the four areas of focus of the inspection. The list should include:  - who conducted the work;  - their terms of reference; and  - copies of all reports.	15/05/2014	10/06/2014 [partial]	10.6.14 response comprised a summary list of reports already provided to us. Comprehensive list, and copies of other reports [if any] remains outstanding.  Poplar Town Hall remains outstanding (apparently pending finalisation of report).

Item number	Area	Document/information requested	Date Requested	Date Received	Comments
143	Publicity	Documents concerning the procurement process followed and approval for services procured from the following advisors: - Kazim Zaidi; - Mohammed Jubair; - Mark Seddon; and - Ian Williams.	27/05/2014		Documentation remains outstanding.
153	Property disposals	Any files held by the third sector allocation team in relation to 12 specified leases.	30/05/2014	24/06/2014	
155	Publicity	The invoice and purchase order (and any other supporting documents) for a specified payment (relating to advertising placed with ATN Bangla UK, and subsequently the subject of comment by Ofcom).	30/05/2014	24/06/2014	
147	Contracts	All procurement documentation (including e.g. identification/need assessment, quotes, evaluation, approvals) for eight contracts.	27/05/2014	17/06/2014	Documentation for 1 contract remains outstanding.
99	Grants	List of grants awarded through the Rapid Response Team (RRT).	07/05/2014	23/05/2014	
166	Publicity	The invoice and purchase order (and any other supporting documents) for 14 payments (relating to advertising placed with 5 TV channels that were subsequently the subject of comment by Ofcom).	06/06/2014	20/06/2014	



Department for  
Communities and  
Local Government

Will Kenyon  
Partner  
PricewaterhouseCoopers LLP  
By email

30 June 2014

## LONDON BOROUGH OF TOWER HAMLETS: INSPECTION

By letter of 4 April 2014, you were informed that the Secretary of State appointed PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the Local Government Act 1999 in relation to the authority's functions in respect of governance. By that letter PwC were also directed to report the findings of the inspection to the Secretary of State by 30 June 2014 or such later date as the inspector may agree with the Secretary of State.

I am now writing to you, having regard to the information you have provided about the progress of the inspection, particularly in your letter to me of 27 June 2014, to agree that the date by which you are to report the findings of the inspection to the Secretary of State is to be a date later than 30 June 2014 which we will agree with you as set out below. We are agreeing to this later date recognising the circumstances you have encountered in the authority, which have resulted, and continue to result, in information material to your inspection being made available to you only after delay, or not at all to date. This has necessarily affected the overall progress of the inspection, including the timing of the interviews which you judge are needed with a number of persons.

Given these circumstances, we intend to assess with you towards the end of the week beginning 7 July the progress you have made with the inspection from the date of this letter, particularly in relation to outstanding requests for information and hence to your progress with the programme of interviews which will be central to the final conclusions you draw in your report. On the basis of this assessment and our judgement about the future likely circumstances at Tower Hamlets, we will seek by mid-July to agree with you the date by which we can reasonably expect you to report your findings to the Secretary of State.

Yours sincerely

**Paul Rowsell**

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Department for  
Communities and  
Local Government

Stephen Halsey  
Head of Paid Service  
London Borough of Tower Hamlets  
Tower Hamlets Town Hall  
6<sup>th</sup> Floor, Mulberry Place  
5 Clove Crescent  
London E14 2BG

30 June 2014

Dear Mr Halsey

Sir Bob Kerslake wrote to you on 4 April 2014 informing you about the inspection of your authority to be carried out by PricewaterhouseCoopers LLP (PwC). He explained that it is envisaged that PwC would report the findings to the Secretary of State by 30 June 2014, although a later report date may be agreed between PwC and the Secretary of State.

As you will see from the enclosed letter to Will Kenyon of PwC, the Secretary of State has agreed that PwC will report the findings of the inspection to him at a date later than 30 June 2014, and intends by the middle of July to agree with PwC the date by which he can reasonably expect them to report.

As explained in the enclosed letter, the Secretary of State has agreed to a later date having regard to the information provided by PwC about the progress of the inspection, and recognising the circumstances that PwC have encountered in your authority, which have resulted, and continue to result, in information material to the inspection being made available to PwC only after delay, or not at all to date. This disappointingly delayed provision of information has necessarily affected the overall progress of the inspection, including the timing of the interviews which PwC judge are needed with a number of persons.

As also explained in the enclosed letter, it is intended to agree the date by which the report can reasonably be expected on the basis of an assessment about the progress of the inspection over the next two weeks, and of our judgement about the future likely circumstances at Tower Hamlets. I recognise that your Council is considering a proposed claim for judicial review

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and has sent us a formal letter before claim to which we responded on 19 June. How your Council decides to proceed with this matter may materially affect the future circumstances at Tower Hamlets, and the final report date.

All these matters, including the final report date, may have implications for the cost of the inspection. In my letter of 28 May to Mr Holme, I said that we intended as soon as practicable to give you some indication of costs. I am now able to say that given the circumstances to date of the inspection we envisage the likely total cost being within £1 million, assuming future full cooperation of your Council.

Yours sincerely

A handwritten signature in cursive script that reads "Paul Rowsell". The signature is written in black ink and is positioned above the printed name.

**Paul Rowsell**

Information Returned to PWC Log: General	
Request details:	
Date	Description & Response Location
04/04/14	Item 1: Copy of LBTH document management and retention policy Folder: Other requests/ Organisational policies & procedures (non-finance - not included elsewhere)
04/04/14	Item 2: An organisation chart for LBTH showing key roles and responsibilities and, in particular, those departments, committees and individuals relevant to the matters covered under A to D above. <i>(i.e., Grants, Property disposals, Contracts, Expenditures relating to publicity)</i> Folder: Other requests/ Organisational charts
08/04/14	Item no.3: Folder: Other requests/ Audits & Letters/ External Audits & Letters
08/04/14	Item 4: Folder: Other requests/ Committee papers & decisions/ Mayoral Executive Decision
08/04/14	Item 4: Folder: Other requests/ Committee papers & decisions/ Mayoral Executive Decision/ Mayoral decision with PART2
08/04/14	Item 4: Folder: Other requests/ Constitution
08/04/14	Link to current constitution & scheme of delegation: • Link to constitution including schemes of delegation
08/04/14	Item 4: Folder: Other requests/ Constitution
08/04/14	Item 5: Folder: Other requests/ Committee papers & decisions/ Overview & Scrutiny
08/04/14	Item 5: Folder: Other requests/ Committee papers & decisions/ Overview & Scrutiny/ OSC papers with PART 2
08/04/14	Item 5.4: Request for officer meeting notes Folder - Other requests\Committee papers & decisions\Notes
08/04/14	Item6: Folder: Other requests/ Committee papers & decisions/ Cabinet
08/04/14	Item 6: Folder: Other requests/ Committee papers & decisions/ Cabinet/ Cabinet papers with PART 2
08/04/14	Item: 7 Folder: Other requests/ Committee papers & decisions/ Full Council
08/04/14	Item 7: Folder: Other requests/ Committee papers & decisions/ Full Council/ Council papers with PART 2



08/04/14	<p>Item 9: List of all decisions called in to the Overview and Security committee since 25 October 2010 and records concerning the outcome:</p> <ul style="list-style-type: none"> <li>• Log of all called in decisions with decision date</li> <li>• O&amp;S date</li> <li>• Decision review date</li> <li>• Dates as per above will link to agendas and minutes (item 5) which will record the outcome</li> </ul> <p>Folder - Other requests\Committee papers &amp; decisions\Overview &amp; Scrutiny</p>
08/04/14	<p>item 13: Monitoring officer role and responsibilities (including additional role specification) Folder: Other requests/ Organisational charts</p>
08/04/14	<p>item 14: Internal and External Whistleblowing policies Folder: Other requests/ Organisational policies &amp; procedures (non-finance - not included elsewhere)</p>
09/04/14	<p>Item 15: Relevant back up policies for hardware (desktops/laptops) Folder: Other requests\Organisational policies &amp; procedures (non-finance - not included elsewhere)\Item 15 16 17 19 20 ICT Policies &amp; Incidents</p>
09/04/14	<p>item 16: Retention and back-up policies for email and all network data Folder Other requests\Organisational policies &amp; procedures (non-finance - not included elsewhere)\Item 15 16 17 19 20 ICT Policies &amp; Incidents</p>
09/04/14	<p>item 17: Retention policies for data on servers Folder Other requests\Organisational policies &amp; procedures (non-finance - not included elsewhere)\Item 15 16 17 19 20 ICT Policies &amp; Incidents</p>
09/04/14	<p>Item 18: Quota for live email boxes Folder: Other requests/ Organisational policies &amp; procedures (non-finance - not included elsewhere)</p>
09/04/14	<p>Item 19: Details of any data loss incidents with regards to email or network data since October 2010 Folder: Other requests\Organisational policies &amp; procedures (non-finance - not included elsewhere)\Item 15 16 17 19 20 ICT Policies &amp; Incidents</p>
09/04/14	<p>Item 20: IT and any other relevant data policies (including acceptable use policy) Folder: Other requests/ Organisational policies &amp; procedures (non-finance - not included elsewhere)</p>
09/04/14	<p>Item 20: IT and any other relevant data policies (including acceptable use policy) Folder: Other requests/ Organisational policies &amp; procedures (non-finance - not included elsewhere)/ Item 15 16 17 19 20 ICT Policies &amp; Incidents</p>
28/04/14	<p>Item 61: Agresso data request, including trial balances</p>

01/05/14	Item 71: Documents relating to the latest MAB for your directorate and any general documentation for this process (e.g. membership, official requests to schedule a meeting, any required agenda or minutes, etc).
28/04/14	Item 62: Details of staff working in the Mayor's Office including status, relationship to the authority, operational arrangements and differences. Folder - Other requests\Organisational charts\Item 62 Mayor's Office
17/04/14	Item 20 (Request clarified 23/04) A list of all electronic applications / systems and databases used by the Council, with a description of their use. Folder: Other requests\Organisational policies & procedures (non-finance - not included elsewhere)\Item 15 16 17 19 20 ICT Policies & Incidents
29/04/14	Item 63: JD Edwards data request - a list of all tables held within the JD Edwards system, including both the table name and the corresponding table description. This is the "library list" file which contains a mapping of the standard JD Edwards table names to their corresponding table descriptions / business processes (for example "F0911" refers to "General Ledger Details")., including trial balances
01/05/14	Item 72: Council's Asset Register for electronic devices issued by the Council (e.g. laptops, blackberries, USB sticks, etc) Folder - Other requests\Organisational policies & procedures (non-finance - not included elsewhere)\Item 72 Asset Logs Devices
01/05/14	Item 81: Email, Electronic Devices and U Drive data request
14/05/14	Item 132: Data - techforge data request - detailed in pdf attachment
14/05/14	Item 133: A collated list of all of the declared interests for each year in our scope
15/05/14	Item 135: A sample of 10 transactions from the JDE payments spreadsheet (detailed in spreadsheet attachment)
20/05/14	Item 137: A list of all investigations / reviews / or similar conducted by Internal Audit, external audit or external consultants in relation to processes or transactions in relation to the four areas of focus of the inspections (i.e. awarding of grants, property disposals, contracts, and publicity expenditure. The list should include: - who conducted the work and - their terms of reference. Copies of all reports are also requested.

24/06/14	<p>Item 187:</p> <p>Conflicts of interest - Thank you for providing data against request 163. We would like to extend our testing to include members elected in May 2010. Please could we get all 'Notification of Personal Interest' forms filed by each of the below Councillor's from the period running Oct 2010 - Present day. This should include any superseded forms and the most up to date forms held by the Council.</p> <p>Ahmed Adam Omer DAVID ANDREW SNOWDON David John Edgar Fozol Miah Helal Uddin Abbas Judith Anne Gardiner Kabir Ahmed MOHAMMAD ABDUL MUKIT MotinUz Zaman Peter Golds Shiria Khatun Stephanie Eaton Timothy Archer</p>
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Information Returned to PWC Log: Grants	
Request details:	
Date	Description & Response Location
04/04/14	A. Grants 1. A complete list of all grants made by LBTH to include: - Full name of the recipient organisation - Amount of the grant - Purpose of the grant - Date of payment - Any relevant reference number or unique identifiers that are part of the audit trail Folder: Grants/Mainstream Grants/QA1 A complete list of MSG
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/Mainstream Grants/QA2 Documentation policies procedures MSG
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/Mainstream Grants/QA2 Documentation policies procedures MSG/Application & Guidance
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/Mainstream Grants/QA2 Documentation policies procedures MSG/Application & Guidance/ Grant Assessments
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/Mainstream Grants/QA2 Documentation policies procedures MSG/Application & Guidance/ Grant Specifications
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\ Mainstream Grants\ Grant Payments
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants.

	Folder: Grants/ CLC directly managed/ Events Fund
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ CLC directly managed/ Mayors Cup
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ CLC directly managed/ Positive Activities for Young People
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ CLC directly managed/ Summer Grants
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ CLC directly managed/ Youth Opportunities Fund
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\CLC directly managed\Sports Council Grants
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ D&R directly managed/ Community Chest & Community Events / Community Chest & Community Events
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Folder: Grants/ D&R directly managed/ Corporate Match Funding

04/04/14	A. Grants 2. Documentation (CMF Policy & Procedure)
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ D&R directly managed/ Faith Buildings
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Folder: Grants/ D&R directly managed/ THFRT/ THFRT Funding
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ D&R directly managed/ THFRT/ THFRT Procedures
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Folder: Grants/ D&R directly managed/ Historic Buildings/ Historic Building Funding
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ D&R directly managed/ Historic Building / Historic Building Procedures
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Folder: Grants/ D&R directly managed/ Property Grants\Property Grants Funding
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ D&R directly managed/ Property Grants\Property Grants Procedure
04/04/14	A. Grants 1. A complete list of all grants made by LBTH Folder: Grants\ESCW directly managed
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ Full list

04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ Community Chest
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ Diamond Jubilee Fund
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ TRA Grants
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ You Make a Difference Fund
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants/ THH directly managed/ Youth Make A Difference Fund
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 120906
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 120925
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 120928
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 121001

04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 121120
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 121130
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 130411
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 130423
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 130611
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 130709
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 130917
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 131031
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 131205
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 140120



04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 140225
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Corporate Grant Board Papers\ 140311\ agenda
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Mainstream Grants\Grant Payments
06/05/14	<i>Clarification of existing requests</i> Item 33 - 3rd Sector Grants for February 2014 -we only have the draft minutes not the finalised version and there was a meeting in March 2014.
08/04/14	Item 35: Grant assessment form
08/04/14	Item 36: Grant Report dated 8 August 2012
08/04/14	Item 37: Social Welfare Advice Service needs analysis report (2011) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG
08/04/14	Item 38: Any internal or external audit reports in relation to grants/grant giving or organisations receiving grants Folder: Grants/ Grants Audits Internal
01/05/14	Item 76: Any LBTH policy or procedure documents describing the process for each stage of the Grants Review process (e.g. criteria and weighting, format and documentation of rationale and recommendation, etc) Folder: Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process
01/05/14	Item 77: Statements drafted for Mayor to use at the 3 October 2012 CGBP re: 'minded to notify all the groups who had applied for MSG that ...they could ask for a review within 7 days' (referenced as 'document 8' at para 9 of the Overview of the Mainstream Grants Process, drafted by Jill Bell 12.2.14)
01/05/14	Item 78: Any other communications to MSG applicants re: the Mayor's decision to notify them '...they could ask for a review within 7 days' Folder: Grants\Mainstream Grants\QA2 Documentation policies

	procedures MSG\Review Process
01/05/14	Item 79: All Grant Review documentation relating to one illustrative example of a successful Grant Review application under the 2012-15 MSG programme (e.g. 1st alphabetical recipient organisation seeking funding for Lunch Clubs) Folder: Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process
01/05/14	Item 73: Summary equality impact assessment of 2012-15 MSG programme recommendations (Appendix 2 of the Main Stream Grants Report November 2012 PB291112) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Equalities Assessment
07/05/14	Item 100: List of grants awarded through the Working Neighbourhoods Trust (WNF) from October 2010
08/05/14	Item 112: Papers circulated for this meeting, including spreadsheet(s) of initial officer assessments / award recommendations for 2012-15 MSG programme (you thought these had been provided already; having checked in the shared drive we expect any papers will have been provided in hardcopy only and would like electronic versions please) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 112 Meeting Papers
08/05/14	Item 114: Confirmation of the status of 'Appendix 2 - Summary EQIAs' to the Cabinet report of 3 October 2012 on the 2012-15 MSG programme (you thought that a summary EIA for the overall MSG programme had not been produced but were still checking whether some other Appendix 2 was ever produced for this report) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 114 Confirmation App 2 status
08/05/14	Item 115: Corporate Grant Board report, minutes or other documentation (1.Grants/Corporate Grant Board Papers/120906) Folder - Grants\Corporate Grant Board Papers\120906\Item 115 Corporate Grant Board
08/05/14	Item 111: Grants - Email request by lead Member to defer 14 August 2012 meeting of the Corporate Grant Board Folder - Grants\Corporate Grant Board Papers\Item 111 LM e-Mail

08/05/14	Item 111: Grants - Email request by lead Member to defer 14 August 2012 meeting of the Corporate Grant Board Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 111 MSG Panel Deferment
08/05/14	Item 119: Any documented workings for the review process (including any spreadsheets listing GIFTS reference numbers / officer recommendations / Board decisions / Mayoral final decision) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process\Item 119 Review Process Docs Directorate\AHW
08/05/14	Item 119: Any documented workings for the review process (including any spreadsheets listing GIFTS reference numbers / officer recommendations / Board decisions / Mayoral final decision) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process\Item 119 Review Process Docs Directorate\CLC
08/05/14	Item 119: Any documented workings for the review process (including any spreadsheets listing GIFTS reference numbers / officer recommendations / Board decisions / Mayoral final decision) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process\Item 119 Review Process Docs Directorate\CS&F
08/05/14	Item 119: Any documented workings for the review process (including any spreadsheets listing GIFTS reference numbers / officer recommendations / Board decisions / Mayoral final decision) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Review Process\Item 119 Review Process Docs Directorate\D&R
04/04/14	Item 33: Documentation of policies and procedures pertaining to the receipt, processing, evaluation, and approval of grant applications, and payment of grants. Folder: Grants\Item 33 One Tower Hamlets Fund
01/05/14	Item 75: Any LBTH policy or procedure documents describing when equality impact assessments should be produced in the Grants process Folder - Grants\Item 75 EQIA Procedures

01/05/14	<p>Item 74: Any other versions of this summary (document 73) equality impact assessment of the overall 2012-15 MSG programme (e.g. before the October and November CGBP meetings, after the Grants Review process, etc) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Equalities Assessment\EQIA 20.11.12 CGBP Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Equalities Assessment\EQIA 30.11.12 CGBP</p>
01/05/14	<p>Item 74: Any other versions of this summary (document 73) equality impact assessment of the overall 2012-15 MSG programme (e.g. before the October and November CGBP meetings, after the Grants Review process, etc) Folder - Grants\Item 74 EQIAs for Grants</p>
01/05/14	<p>Item 74: Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Equalities Assessment\EQIA 30.11.12 Exec Decision</p>
08/05/14	<p>Item 113: Any documented legal advice on the requirement to produce Equality Impact Assessments as part of the 2012-15 MSG process Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 113 EQIA Legal Advice File note attached to additions e-mail of 16/05/14 Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 113 EQIA Legal Advice</p>
08/05/14	<p>Item 117: Any documented guidance, protocol or workings for the Adjustment for Gaps in Provision stage (including roles &amp; responsibilities, ad hoc legal advice for the 2012-15 MSG programme, etc) File note attached to additions e-mail of 16/05/14 and explanatory note in the same e-mail. Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 117 Adjustment for Gaps</p>
08/05/14	<p>Item 118: Any control sheets to track progress &amp; officers working on reviews regarding reviews of 2012-15 award recommendations Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 118 Award Review Control Sheets File note attached to additions e-mail of 16/05/14</p>
13/05/14	<p>Item 127 Equality Impact Assessment(s) for the Community Faith Buildings (CFB) support grant scheme Folder - Grants\D&amp;R directly managed\Faith Buildings\Item 127 CFB Equality Impact Assessments</p>

13/05/14	<p>Item 128</p> <p>Any papers (agenda, minutes, etc) related to CFB consultation meetings with the Interfaith Forum and other organisations (e.g. Dave Clark meeting with Rev Alan Green in September or October 2013)</p> <p>Folder - Grants\D&amp;R directly managed\Faith Buildings\Item 128 CFB consultation meetings with THIFF</p>
13/05/14	<p>Item 129</p> <p>Any documentation and summaries of CFB officer panel scoring, ranking and recommendations to Corporate Grant Panel Board - Round 1 and Round 2 if available</p> <p>Folder - Grants\D&amp;R directly managed\Faith Buildings\Item 129 CFB officer panel</p>
13/05/14	<p>Item 130</p> <p>Any documentation and summaries of Corporate Grant Panel Board recommendations, including variance from officer panel recommendations - Round 1 and Round 2 if available</p> <p>Folder - Grants\Corporate Grant Board Papers\Item 130 CGPB recommendations</p>
13/05/14	<p>Item 131</p> <p>Documentation on status of and any Board or Cabinet discussion of CFB Round 2 applications</p> <p>Folder - Grants\Corporate Grant Board Papers\Item 131 CGPB or Cabinet discussion of Round 2</p>
07/05/14	<p>Item 102:</p> <p>Clarification on several Grant Types:</p> <ul style="list-style-type: none"> <li>- are 'Heritage' grants different from those under "Historic buildings"?</li> <li>- s106 Grants - is there any information available on these? There are no files in the shared folder.</li> <li>- Is any info available on the Economic Development grants? The folder has been removed from the shared area.</li> <li>- Is there any info on Bursaries? No files in the shared folder.</li> <li>- Is there any info on Community Phase building grants? These were mentioned in a preliminary interview</li> </ul>
07/05/14	<p>Item 99:</p> <p>List of grants awarded through the Rapid Response Team (RRT) from October 2010</p>
08/05/14	<p>Item 116:</p> <p>Any documented listing of final scorings (assuming that these are not available from the GIFTS system and that the detailed officer scorecards are retained in hardcopy only at Directorate level)</p>
29/05/14	<p>Item 149</p> <p>Example CFB payment claim form. (Document offered by Dave Clarke in a meeting on Wed 28th June.)</p> <p>Folder - Grants\D&amp;R directly managed\Faith Buildings\Item 149 CFB Claim</p>

29/05/14	Item 150 Example CC application assessment file showing how officers document their basic research & judgement on bids for expensive goods / services. (Document offered by Dave Clarke in a meeting on Wed 28th June.) Folder - Grants\D&R directly managed
29/05/14	Item 151 GIFTS report for CC/CE Round 7 to identify multiple applications by organisation (GIFTS report for Rounds 1 - 6 already provided, as part of report to O&S). (These documents have been offered by Dave Clarke in a meeting on Wed 28th June.) Folder - Grants\D&R directly managed\Community Chest & Community Events
07/05/14	Item 101: List of the 8 organisations under investigation by Internal Audit/status of these investigations
08/05/14	Item 109: List of attendees at the spring 2012 public workshops on the 2012-15 MSG application & assessment process
08/05/14	Item 110: D&R control sheet to track progress & officers working on Assessment Panels (plus any other Directorate control sheets to track their Assessment Panels) Folder - Grants\Mainstream Grants\QA2 Documentation policies procedures MSG\Item 110 Assessment Panels
29/05/14	Item 149 Example CFB payment claim form. (Document offered by Dave Clarke in a meeting on Wed 28th June.) Folder - Grants\D&R directly managed\Faith Buildings\Item 149 CFB Claim
29/05/14	Item 150 Example CC application assessment file showing how officers document their basic research & judgement on bids for expensive goods / services. (Document offered by Dave Clarke in a meeting on Wed 28th June.) Folder - Grants\D&R directly managed
29/05/14	Item 151 GIFTS report for CC/CE Round 7 to identify multiple applications by organisation (GIFTS report for Rounds 1 - 6 already provided, as part of report to O&S). (These documents have been offered by Dave Clarke in a meeting on Wed 28th June.) Folder - Grants\D&R directly managed\Community Chest & Community Events
03/06/14	Item 156: Service Level Agreement between Brick Lane Youth Development Association (DLYDA) and LBTH Youth and Community Learning Directorate for various youth services

03/06/14	Item 157: Under this SLA, Youth Directorate payments and monitoring information for 2010/2011, broken down by the five projects (Shaathi, Aasha, E&E, Amaal and YCHP)
03/06/14	Item 158: Rapid Response Team spot payments, specific cost code, recipients and associated agreements for 2010-2014
05/06/14	Item 161: Grants - Documentation for the '954' MSG grant funding stream including: - CGPB, Cabinet and Mayoral discussions and decisions; - changes to budget over the period;- internal assessment guidance / protocol / templates;- any summary lists and specific records of applications / assessments of eligibility & scorings / official recommendations to CGPB & moderation / allocations & awards / payments / monitoring reports. Folder: - Grants\Mainstream Grants\Item 161 MSG 954 Docs D&R
05/06/14	Item 161: Grants - Documentation for the '954' MSG grant funding stream including: - CGPB, Cabinet and Mayoral discussions and decisions; - changes to budget over the period;- internal assessment guidance / protocol / templates;- any summary lists and specific records of applications / assessments of eligibility & scorings / official recommendations to CGPB & moderation / allocations & awards / payments / monitoring reports. Folder: - Grants\Mainstream Grants\Item 161 MSG 954 Docs Other
05/06/14	Item 162: Grants - Documentation for the 'Prevention, Health & Wellbeing' MSG grant funding stream including: - CGPB, Cabinet and Mayoral discussions and decisions; - changes to budget over the period;- internal assessment guidance / protocol / templates;- any summary lists and specific records of applications / assessments of eligibility & scorings / official recommendations to CGPB & moderation / allocations & awards / payments / monitoring reports. Folder - Grants\Mainstream Grants\Item 162 MSG PH&W Docs
16/06/14	Item 174: Grants - Please could we request any and all monitoring documentation in respect of the 2012-2015 MSG award programme
16/06/14	Item 175: Grants - Dorset Community Association - all MSG and Community Faith Building application, assessment and award documentation, including but not limited to scoring data, correspondence, due diligence and monitoring.
16/06/14	Item 176: Grants - Dorset Community Association - all documentation in respect of the MAYP SLA awards including but not limited to

	application, correspondence, due diligence and monitoring.
16/06/14	Item 177: Grants - Healthy Chula CIC - all MSG application, assessment and award documentation, including but not limited to scoring data, correspondence, due diligence and monitoring.
17/06/14	Item 179: Grants - All papers supporting the MSG 12-15 awards to The Attlee Foundation (CFS-27 and ASES- 75)
18/06/14	Item 182: Grants - Please could you provide the following details for the attached Youth Schemes:  <ul style="list-style-type: none"> <li>- application forms and supporting documents provided;</li> <li>- eligibility assessments performed by LBTH;</li> <li>- scoring sheets and assessments, including any moderation stages;</li> <li>- details of any due diligence and monitoring conducted in respect of these applications/awards</li> <li>- any other relevant documents relating to the applications/award.</li> </ul> <p>See attached spreadsheet "Request 182" for details of the Youth Schemes for this request</p>
18/06/14	Item 183: Grants - Please could you provide the following details for the attached SLAs:  <ul style="list-style-type: none"> <li>- copy of the signed SLA's</li> <li>- any general documentation describing the governance, process and procedures for tendering, receiving, assessing and awarding SLAs;</li> <li>- application/bid forms and supporting documents for these specific examples;</li> <li>- any assessment papers including moderation documents for these examples;</li> <li>- details of any due diligence and monitoring conducted in respect of these applications/SLA</li> <li>- any other relevant documentation for these SLAs,</li> </ul> <p>See attached spreadsheet "Request 183" for details of the SLAs for this request</p>



18/06/14	<p>Item 184: Grants - Please could you provide the following details for the attached MSG grants:</p> <ul style="list-style-type: none"> <li>- completed application forms and supporting documents;</li> <li>- eligibility assessments completed by officers;</li> <li>- scoring assessments including original and moderated versions;</li> <li>- any documentation for amendments to the award levels given to these organisations, either by officers or members;</li> <li>- details of any due diligence and monitoring conducted in respect of these applications/awards</li> </ul> <p>See attached spreadsheet "Request 184" for details of the MSG Grants for this request</p>
24/06/14	<p>Item 188: 1st and 2nd version of the business plan for Youth Services as discussed in a meeting with Andy Bamber on 25/06/2014</p>
24/06/14	<p>Item 189: Draft Briefing note entitled Young/Youth Routes Update as discussed in a meeting with Andy Bamber on 25/06/2014</p>

Information Returned to PWC Log: Property	
Request details:	
Date	Description & Response Location
04/04/14	Item 39. A complete list of all real estate properties (including without limitation land, commercial property and residential property) sold by or otherwise transferred out of the ownership of LBTH, to include: <ul style="list-style-type: none"> <li>- Full description and address of the property</li> <li>- Value of the property at the date of sale or transfer</li> <li>- Full name and details of the party acquiring the property</li> <li>- Date of sale or transfer, and</li> <li>- Any relevant reference numbers or unques identifiers that are part of the audit trail</li> </ul> Folder: Property/Property disposals/Disposal register
04/04/14	Item 39. A complete list of all real estate properties etc.  Folder: Property/Property disposals/Disposal register
04/04/14	Item 39. A complete list of all real estate properties (including without limitation land, commercial property and residential property) sold by or otherwise transferred out of the ownership of LBTH, to include: <ul style="list-style-type: none"> <li>- Full description and address of the property</li> <li>- Value of the property at the date of sale or transfer</li> <li>- Full name and details of the party acquiring the property</li> <li>- Date of sale or transfer, and</li> <li>- Any relevant reference numbers or unques identifiers that are part of the audit trail</li> </ul> Folder: Property/Right to buy disposals/Disposal register
24/04/14	Request for clarifications on the schedule. Folder - Property\ Property disposals\ Disposal register
04/04/14	Item 40. Documentation of policies and procedures pertaining to property disposals. Folder: Property/ Property Disposals/ Policies & Procedures
	Item 40. Documentation of policies and procedures pertaining to property disposals. Folder - Property\Property disposals\Policies & Procedures\Development Control
04/04/14	Item 40. Documentation of policies and procedures pertaining to property disposals. Folder: Property\Right to buy disposals\Policies & Procedures
04/04/14	Item no.40 Property/ Property Disposals/ Disposal Example Queens Head
04/04/14	Item no.40 Property/ Property Disposals/ Letting Example 26-28 Brick Lane
08/04/14	Item 41: Property strategy document.

08/04/14	Item 42 Terms of Reference for the asset management working group and asset management board. Property\Property disposals\Policies & Procedures\Asset Terms of Reference\Board
08/04/14	Item 42 Terms of Reference for the asset management working group and asset management board. Property\Property disposals\Policies & Procedures\Asset Terms of Reference\ Working Group
08/04/14	Item 43: A list of all property leases including completed, transferred and disposed leases.
08/04/14	Item 44: Any internal or external audit reports in relation property disposals. Folder: Property/ Audits relating to disposals
16/04/14	Access to the Laserfiche system.
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Correspondence\ Email\ Inbox\
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Correspondence\ Email\ Inbox\ BAFS
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Correspondence\ Email\ Sent\
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Correspondence\ Letter
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar

	Town Hall\ 117 Poplar High St (Woodstock)\ Drawings
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ External Consultant docs\ Agent
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ External Consultant docs\
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ HOTs
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ Leases
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ Other
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ Report on title
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ To provide onto legal for draft lease
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Legal\ To provide onto legal for draft lease\ 117 Poplar High Street (zipped folder)
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Planning

16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Response to ME
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ 117 Poplar High St (Woodstock)\ Services
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ Poplar Town Hall
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ Poplar Town Hall\ FOI 2014
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\Poplar Town Hall\ Poplar Town Hall\ planning
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\ Poplar Town Hall disposal
16/04/14	Access to documentation on Poplar Town Hall on the shared drive Folder: Property\Property disposals\Poplar Town Hall\ Poplar Town Hall disposal\ Poplar Town Hall disposal (zipped folder)\ Poplar Town Hall disposal
24/04/14	Meeting with Ann Sutcliffe - provision of paper documents
23/04/14	Item 58: Details of spreadsheet maintained re: property valuations.
24/04/14	Item 59a: For all properties listed in the first tab of the spreadsheet "Request 1.xlsx" attached (72) provide all documents in respect of these properties held on the asset management service's shared drive.
24/04/14	Item 59b: For all properties listed in the second tab of the spreadsheet "Request 1.xlsx" attached (113) we are requesting the valuation documents and contract documents containing the rental price (if valuation documents do not exist please comment as to why)
24/04/14	Item 60: For the list in spreadsheet "Request 2.xlsx" attached please advise as whether there have been any planning applications submitted for each property post sale, or if any of the properties have been the subject of a planning enforcement application post-sale. Folder - Property\Property disposals\Item 60 Planning Applications

06/05/14	Item 95: Property - Authorisation levels / schedule of delegation for property disposals Folder - Other requests\Constitution\Scheme of delegation
	316 Poplar High Street Folder - Property\Property disposals\Property 316 Poplar High Street
	KGF Trust Folder - Property\Property disposals\Property KGF Trust
29/04/14	Item 70: Policies and procedures that relate to extension of residential leases Folder - Property\Property disposals\Policies & Procedures
29/04/14	Item 69: Policies and procedures that relate to granting and renewal of short term leases and/or rentals
02/05/14	Item 82 - Latest property disposal procedures Folder - Property\Property disposals\Policies & Procedures\Item 82 Latest Disposals Procedures
25/04/14	Revised Item 59: In the spreadsheet attached ( <i>Disposals - 25 10 10 Onwards - Master-Final with CLC amendments - testing sample 250414 request</i> ) we have a sample of 66 properties which we require all documents held on the asset management service's shared drive. We have broken down this sample into a priority order of the following; disposals, peppercorns and other which can be seen in the respective tabs of the attached. Folder - Property\Property disposals\Soft file

23/05/14	<p>Item 139: For all properties below, please can you provide a rental statement which details the current rent being charged on the properties and any rent arrears due. Please also provide soft and hard property files and legal files for these properties:</p> <p>Stifford Centre 2-6 Cressy Place, Stepney Green, London, E1 3JG  One o' Clock Club Former One o Clock Club onShakwell Lane.  One o' Clock Club, Mile End Park Gardens,LocksleyStreet,Mile End,London,E14 7EJ  One o' Clock Club, Victoria Park One O Clock Club, Cadogan Terrace, London,E9 5EG  Keen Students Group / Osmanai centre 61 Valance Road, Whitechapel, London E1 5AB  5 Saltwall Street  Mile End Properties no 588 Zain's restaurant, 588 Mile End  Poplar Baths 1.East India Dock Road, Poplar, Tower Hamlets, London E14 0ED  60 Southern Grove E3 4PX  The Old Ship Public House, 17 Barnes Street E14 7NW  Pitsea Street Garages E1  Redcoat Community Centre 256 Stepney Way E1 3DW  3 Pennyfields E14 8HP</p> <p>For the following properties please provide hard property files and legal files for:  135 Commercial Street, London E1  Lukin Street/Bishop Challoner  16-18 Brick Lane E1  Wapping Youth Club, Tench Street, EW1  KobiNazrul Centre, 30 Hanbury Street E1 6QR  16 Calvert Avenue, London E2 7JP</p> <p>Folder - Property\Property disposals\Item 139</p>
29/05/14	<p>Item 152:  Please can we be provided with the reports listed below as per the Council's website. These relate to a specific property we have already received information on, as provided by the Council.</p>
01/05/14	<p>Item 80 : Valuation evidence and sales price evidence for properties in the attached listing (185 properties)</p>
07/05/14	<p>Item 103:  Information to support the approval of the letting of 316 Poplar Road which we understand is within a wider development approval</p>
07/05/14	<p>Item 104:  For 40 properties can we request the legal files</p>
07/05/14	<p>Item 105:  Poplar Town Hall hard file</p>

12/05/14	Item 126: Batch 1 property follow up questions (spreadsheet provided)
15/05/14	Item 136: Property - Batch 2 property follow up questions (spreadsheet attached)
20/05/14	Item 138: Batch 3 property follow up questions (spreadsheet attached) We require further details/evidence in relation to property disposals that we have reviewed in order to complete our testing and evidence that due process was followed
28/05/14	Item 148: The soft / electronic files in relation to the disposal of Land at Shadwell Station to Rail for London: We require this to complete our testing, as there was a significant change of use planning application made.
28/05/14	Item 153: Please can we be provided with any files held by the third sector allocation team in relation to the specific leases (dates included in the third sector leases spreadsheet)? These are specific properties we have already received information on, as provided by the Council.  Folder - Property\Property disposals\Item 153 Mellish Street Third Sector
28/05/14	Item 154: Please can we be provided with the additional information outlined in the 'Questions (4) 28 5 14' spreadsheet
04/06/2014	Item 159: Legal file and property file for 'Land at Shadwell Station' which was disposed of on 31/03/2011
04/06/2014	Item 160: Planning file for the same property for the application on 16/10/2013 for Erection of reconditioned shipping containers to provide retail, professional services or office use.
06/06/14	Item 164: Property - Please can you inform us who the Lead Officer was for the disposals of Poplar Town Hall and Limehouse Library and for the leases of Sutton Street Depot and 111-113 Mellish Street. Please can we meet with each of these people as soon as possible. If the Lead Officer is no longer at the Council please can we meet with another individual who was also involved in the disposal/lease of the property in question and who has knowledge of how the disposal/lease was managed.
06/06/14	Item 165: Property - Please can we have a listing of all properties the Council owns (with the exception of housing) that are currently let out to third sector organisations at peppercorn rent or a reduced rent? Please can you include the lessee's name, the date the contract was entered into, the annual value of the



	contract, the length of the contract and the current level of rent arrears (if any).
18/06/14	<p>Item 181:</p> <p>Please find a list of questions/documents requested below:</p> <p>Mellish Street - Please can we see:</p> <ul style="list-style-type: none"> <li>• The third sector file for the property</li> <li>• Evidence that there has been monitoring to see if Docklands Community Organisation (DCO) are fulfilling the requirements of the SLA</li> <li>• Evidence of the calculations behind the rental discount value given to DCO</li> <li>• Evidence of the assessment and appraisal of options for the site which led to the decision to rent the property to the third sector rather than leasing it commercially or selling the property.</li> </ul> <p>Limehouse Library</p> <ul style="list-style-type: none"> <li>• Please can we see evidence of the marketing, assessment of bids and all other activities related to the second bidding round which took place in February 2012?</li> <li>• Can we have confirmation of the reason why the highest bidder was not selected</li> <li>• Please can we see evidence of the decision that Cabinet made that the Mayor and/or Cabinet should be updated periodically regarding the sale of Limehouse Library?</li> </ul> <p>Sutton Street Depot - Please can we see:</p> <ul style="list-style-type: none"> <li>• Council's recommendation report to Cabinet regarding why Pearl Blue Ltd had been chosen and any supporting documents which demonstrate how the Council reached this decision (for example, minutes of any relevant panel meetings to discuss the bids)</li> <li>• The Council's assessment of the bids for Sutton Street Depot (to the extent there is additional information not included in the recommendation report).</li> <li>• Evidence of the reasoning for not proceeding with Excel (as recommended by Strettons)</li> <li>• The Mayor's handwritten note regarding a his decision to award a 12 month rent free period to Pearl Blue Ltd.</li> </ul>
24/06/14	<p>Item 185:</p> <p>For the "Mellish Street" property we have been provided with two files that relate to the previous lease with Tower Hamlets Primary Care Trust. We would also like to review the legal files that exist for the more recent lease that was completed in July 2013, which was agreed with Docklands Community Organisation.</p>

24/06/14	<p>Item 186:</p> <p>There were 6 bids for the Sutton Street Depot lease. We understand based on review of Cabinet papers dated 5 September 2012 that bidders may have provided business plans and cash flow forecasts in some cases. Please can we see the original bid submissions including all submitted information for the following bids:</p> <p>Ruskin Private Hire Ltd - £85,000 Bangla Town Cash &amp; Carry Ltd - £115,500 Pearl Blue Ltd - £95,000 - £105,000 plus any additional information that accompanied their later bid of £117,000 Excel Group Services Ltd - £120,000 London Tradition T/A East End Cash &amp; Carry - £116,000 Cityside Primary Trust - £130,000</p>
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Information Returned to PWC Log: Publicity	
Request details:	
Date	Description & Response Location
04/04/14	<p>Item 45: A complete list of all payments by LBTH to media organisations, including without limitation film, television, radio, internet and print media (such as newspapers, magazines, etc). This should include:</p> <ul style="list-style-type: none"> <li>• Full name of the payee organisation;</li> <li>• Amount of the payment;</li> <li>• Date of payment; and</li> <li>• Any relevant reference numbers or unique identifiers that are part of the audit trail.</li> </ul> <p>Folder: Publicity/ Other comms expenditure</p>
04/04/14	<p>Item 45: A complete list of all payments by LBTH to media organisations, including without limitation film, television, radio, internet and print media (such as newspapers, magazines, etc). This should include:</p> <ul style="list-style-type: none"> <li>• Full name of the payee organisation;</li> <li>• Amount of the payment;</li> <li>• Date of payment; and</li> <li>• Any relevant reference numbers or unique identifiers that are part of the audit trail.</li> </ul> <p>Folder Publicity\Corporate communications costs</p>
04/04/14	<p>Item 46: An analysis of all costs incurred in relation to the publication of East London Life.</p> <p>Folder Publicity\East End Life\Costs</p>
04/04/14	<p>Item 47: Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of expenditures relating to publicity.</p> <p>Folder: Publicity/ East End Life</p>
04/04/14	<p>Item 47: Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of expenditures relating to publicity.</p> <p>Folder Contracts\Policies &amp; Procedures\Financial Regulations</p>
08/04/14	<p>Item 48: Link to the July 2011 Cabinet report</p> <ul style="list-style-type: none"> <li>• All meeting agendas and minutes are at item 6</li> <li>• The exempt parts can be provided by Demographic Services.</li> </ul>
08/04/14	<p>Item 49: QC advice received on the July 2011 Review of East End life</p> <p>Folder: Publicity/ East End Life</p>
08/04/14	<p>Item 50: Link to September 2011 district auditors view of practice</p> <p>Folder: Publicity/ East End Life</p>

08/04/1 4	Item 51: Any internal or external audit reports in relation to communications Folder: Publicity\Audits relating to Communications
08/04/1 4	Item 52: KPMG audit inspection report (2013) Folder: Other requests/ Audits & Letters/ External audits & Letters
08/04/1 4	Item 53: Brand Guide book Folder: Publicity/ Policies & Procedures
04/04/1 4	Item 54: Draft6 ICM survey results on East End Life
08/04/1 4	Item 55: Editorial guidelines for East End Life Folder: Publicity/ Policies & Procedures
08/04/1 4	Item 56: LBTH Social Media Policy
23/04/1 4	Item 57: Details of East End Life cost centre
29/04/1 4	Item 67: ICM survey results for 2009 Folder - Publicity\Item 67 ICM Survey 2009
29/04/1 4	Item 68: Code of practice on Local Authority publicity
29/04/1 4	Item 64: The Communication strategy and the approvals for this. Details of the funding in the communications strategy. Folder - Publicity\Item 64 Communications Strategy
09/05/1 4	Item 121: Job description for a Communications Advisor Folder - Publicity\Item 121 Job Description Comms Officer
09/05/1 4	Item 122: An example of a recent communications Grid for one directorate Folder - Publicity\Item 122 Example Comms Grid
29/04/1 4	Item 65: East End Life budget for all relevant years/periods.
29/04/1 4	Item 66: Report on the East End Life review
09/05/1 4	Item 123: Publicity - updated Communications team organisational chart (to reflect the restructure discussed in the meeting with Takki Sulaiman)
29/05/1 4	Item 140: Is there a listing of when advice and clearance for broadcasts (as per the Communications protocol) has been given?

29/05/1 4	<p>Item 141:</p> <p>From the 2012/12 external audit report we note that KPMG refers to two enquiries made by Councillors, could we see the original enquiry, any correspondence and any other related information relating to these enquiries? Is a log of enquiries such as these maintained? If so please provide a copy.</p>
29/05/1 4	<p>Item 142:</p> <p>What services were procured from the following suppliers? Please provide details of the approvals and details of the procurement process followed:</p> <ol style="list-style-type: none"> <li>1. Trinity Mirror Printing (Watford)</li> <li>2. CCS Media Ltd</li> <li>3. Beta Distribution (South) Ltd t/a London Letterbox Marketing</li> <li>4. Panther Print &amp; Design LTD</li> <li>5. Print Impressions (Digital) Ltd</li> <li>6. Captive Minds Communications Group Ltd</li> <li>7. GUARDIAN NEWS &amp; MEDIA LIMITED</li> <li>8. Miacis Media Consultancy Ltd</li> <li>9. Tutaev Design</li> <li>10. Liberty Printers Ltd</li> </ol>
29/05/1 4	<p>Item 143:</p> <p>What services were procured from the following advisors? Why was it deemed necessary to use an advisor in each case? Please provide details of the approvals and details of the procurement process followed:</p> <ul style="list-style-type: none"> <li>• Kazim Zaidi</li> <li>• Mohammed Jubair</li> <li>• John Cheetham</li> <li>• Phillip Nduoyo</li> <li>• Stephen Beckett</li> <li>• Mark Seddon</li> <li>• Tony Winterbottom</li> <li>• Azad Miah</li> <li>• John Fennessy</li> <li>• June Mensah</li> <li>• Tamsin Gale</li> <li>• Sadia Uddin</li> <li>• Axel Landin</li> <li>• MazharulAlam</li> </ul>
30/05/1 4	<p>Item 155:</p> <p>Please could we see the invoice and purchase order (and any other supporting documents) for the following payment from the JD Edwards data we have been provided with?</p> <p>Folder - Publicity\Item 155</p>

06/06/1 4	Item 166: Publicity - Please could we see the invoice and purchase order (and any other supporting documents) for the attached payments from the Agresso and JD Edwards data we have been provided with? Item #166 requested 06062014 (spreadsheet)
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Information Returned to PWC Log: Contracts	
Request details:	
Date	Description & Response Location
04/04/14	<p>Item 22: Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of contracts and the payment of suppliers and service providers to include:</p> <ul style="list-style-type: none"> <li>• Internal operating guide for procurement</li> <li>• Procurement imperative document</li> <li>• Mechanism for bid evaluation</li> </ul> <p>Folder: Contracts/ Policies &amp; Procedures/ Procurement Procedures</p>
04/04/14	<p>Item 22: Documentation of policies and procedures pertaining to the tendering, evaluation, approval and signing of contracts and the payment of suppliers and service providers to include:</p> <ul style="list-style-type: none"> <li>• Internal operating guide for procurement</li> <li>• Procurement imperative document</li> <li>• Mechanism for bid evaluation</li> </ul> <p>Folder: Contracts/ Policies &amp; Procedures/ Procurement Procedure/ THH</p>
08/04/14	<p>Item 23: Underlying organisation chart (for the procurement function) to reflect the changes over time (e.g. to reflect the merger of children and adult services) Folder - Other requests\Organisational charts\Procurement Structure</p>
08/04/14	<p>Item 24: Terms of Reference for the competition board</p>
04/04/14	<p>Item 25: All contract quarterly forward plans since 25 October 2010</p> <ul style="list-style-type: none"> <li>• Log of all Cabinet dates when contract forward plan was considered</li> <li>• All meeting agendas and minutes are at item 6</li> </ul> <p>Folder: Contracts/ Policies &amp; Procedures/ Procurement Procedures/ Cabinet Forward Plan</p>
08/04/14	<p>Item 27: Any internal or external audit reports in relation to contracts or procurement since 25 October 2010 Folder: Contracts/ Procurement Audits Internal</p>
08/04/14	<p>Item 28: Detailed note around the contract management arrangements</p>
08/04/14	<p>Item 28: Detailed note around the contract management arrangements Folder: Contracts\Policies &amp; Procedures\Procurement Procedures</p>

08/04/14	Item no.30: Folder: Other requests/ Strategies
08/04/14	Item 31: Mechanism for bid evaluation
08/04/14	Item 32: Change control request process for contracts
06/05/14	Clarification of existing requests Item 25 - Cabinet Forward Plans - Do we have a complete pack of reports, there are long gaps between the dates of the reports (ie 2 Nov 2011 => 20 Jun 2012 or 20 June 2012 => 9 Jan 2013). Should the meetings at which contract forward plans are discussed be held in advance of the plan period? Attachment to update e-mail
06/05/14	Item 83: Contracts - Schedule of delegation Attachment to update e-mail
06/05/14	Item 84: Procurement procedures - It would be useful to understand what the contracting Toolkit is. Is this a document and if so, can we have a copy? Attachment to update e-mail & in folder - Contracts\Policies & Procedures\Procurement Procedures\Item 84 RFQ Toolkit
06/05/14	Item 85: Procurement procedures - It would be useful to understand what the Request for Quotation (RFQ) toolkit is. Is this a document and if so, can we have a copy? Attachment to update e-mail
06/05/14	Item 86: Procurement procedures It would be useful to understand what the Contracting Tender Toolkit is. Is this a document and if so, can we have a copy? Attachment to update e-mail
06/05/14	Item 87: Procurement procedures It would be useful to understand what the Procurement Toolkit is. Is this a document and if so, can we have a copy? Attachment to update e-mail
06/05/14	Item 88: Procurement Monitoring process - Can we have copies of the quarterly Variation Reports for our review period? Attachment to update e-mail
06/05/14	Item 89: Procurement Monitoring process - It would be useful to understand the purpose and use of the risk register as well as obtaining a copy Attachment to update e-mail and in folder - Contracts\Policies & Procedures\Procurement Procedures\Item 89 - procurement risks



06/05/14	Item 90: Suppliers database - Is this available on the intranet? If so could we be pointed to the link and if not can we obtain a copy? How is it maintained? Attachment to update e-mail
07/05/14	Item 96: Contracts - Procurement Imperative
07/05/14	Item 97: Listing of framework contracts Folder - Contracts\Contracts register\Item 97 Framework Contract Listing
07/05/14	Item 98: Link to list of local businesses (publically available) Attachment to e-mail refers re; item 90.
08/05/14	Item 106: Management agreement - I think we can access this from the website, so no action required.
08/05/14	Contracts - Management agreement - I think we can access this from the website, so no action required.
	Item 107: Suppliers listing from R2P - I am still confirming exactly what dates we would like to request, so if you could hold off on this for now. I hope to confirm tomorrow.
08/05/14	Item 108: Contracts - Declaration of interests - Could you send a copy of the template that is completed by staff please? Also, do you know if HR keep a register of these each year? Folder - Contracts\Policies & Procedures\Item 108 Declaration of Interests
12/05/14	Item 124: O&SC Annual reports (submitted to the full Council) Folder - Contracts\O&S Reports\Item 124 OSC Annual report
12/05/14	Item 125: Annual work programmes for the Scrutiny Panels. Folder - Contracts\O&S Reports\Item 125 OSC Annual programme
09/05/14	Item 120: Copies of the documents relating to the three contract examples walked through in the meeting relating to contracts over £25k Folder - Contracts\Item 120 Examples from Procurement Walk Through\Above Tollgate - DR4426 EIA Environmental Assessment

29/05/14	<p>Item 144:</p> <p>From the Agresso data provided, we have identified payments to Kisimul Group Ltd and Kedleston Schools. We understand that these entities are both education providers but they appear to be located outside the borough. Please can we have further details of these payments, including whether these are grant payments, the type and nature of these services, and the directorate that would have procured these services? In particular, we are interested in the geographic location of the grant/ work performed.</p>
29/05/14	<p>Item 145:</p> <p>From the Agresso data provided, we have identified payments to vendors who are listed as individuals rather than companies. There is over £4.6 million paid to around 15,000 individuals on a regular basis (on either a weekly, or more frequent basis). Could you explain the type and nature of these types of payments?</p>
04/04/14	<p>Item 21:</p> <p>A complete list of all contracts let by LBTH with a contract value of £10,000 or more, to include:</p> <ul style="list-style-type: none"> <li>• Date of contract;</li> <li>• Nature of goods or services procured;</li> <li>• Full name and details of the contract counterparty/(ies);</li> <li>• Value of the contract; and</li> <li>• Any relevant reference numbers or unique identifiers that are part of the audit trail.</li> </ul> <p>Folder: Contracts/ Contracts register</p>
06/05/14	<p>Item 91:</p> <p>THH- Contract strategy &amp; award decisions are submitted quarterly to the Finance &amp; Audit Committee, can we have a copies of these for our review period?</p>
06/05/14	<p>Item 92:</p> <p>THH- Can we have earlier versions of the contracts register? We have one dated April 2014.</p>
06/05/14	<p>Item 93:</p> <p>THH- Do separate forward plans for THH get submitted to Cabinet? If so, please can we have copies?</p>
06/05/14	<p>Item 94:</p> <p>THH- How are updates submitted to the Risk &amp; Probity officer?</p>
14/05/14	<p>Item 134:</p> <p>Contracts - Reports or any related documents that result from the Cabinets review of forward plans</p>
29/05/14	<p>Item 146:</p> <p>From the Agresso data provided, as above we have identified payments to vendors who are listed as individuals rather than companies. There are a 6 unique one off payments to individuals just below £25k. Could you explain the type and nature of these payments?</p>

29/05/14	<p>Item 147:</p> <p>Further to the walkthroughs we performed with members of your team could we please request all procurement documentation (identification / need assessment, quotes, evaluation, approval, the people involved at each stage, etc.) for the following contracts. These contracts have been selected from the contracts listing you have provided us with. The main purpose of us gathering this information is so that we can understand the specific procurement process undertaken for these 8 contracts.</p>
06/06/14	<p>Item 163:</p> <p>Contracts - All 'Notification of Personal Interest' forms filed by each of the below Councillor's from the period running Oct 2010 - Present day. This should include any superseded forms and the most up to date forms held by the Council.</p> <ol style="list-style-type: none"> <li>1 Mayor Lutfur Rahman</li> <li>2 Rania Khan</li> <li>3 Maium Miah</li> <li>4 A M Ohid Ahmed</li> <li>5 Khales Uddin Ahmed</li> <li>6 Shahed Ali</li> <li>7 Aminur Rashid Khan</li> <li>8 Harun Miah</li> <li>9 Gulam Robbani</li> <li>10 AbdalUllah</li> <li>11 Alibor Choudhury</li> <li>12 Rabina Khan</li> <li>13 Rofique U Ahmed</li> <li>14 Abdul Asad</li> <li>15 Shafiqul Haque</li> <li>16 Oliur Rahman</li> <li>17 Sirajul Islam</li> <li>18 Zenith Rahman</li> <li>19 Rachael Saunders</li> <li>20 Amy Whitelock Gibbs</li> <li>21 Helal Uddin</li> </ol>
13/06/14	<p>Item 167:</p> <p>Contracts - We have reviewed the supporting documentation for the contract award of ESCW (AHWB)4695. We note that only one tender was submitted but understand that at least 4 tenders should be invited and 3 received for a level 3 contract award. Please could you explain why the procurement procedures were not followed?</p>
13/06/14	<p>Item 168:</p> <p>Contracts - Please can you confirm that there aren't any examples of contracts within the three quotation bracket (under £25k) that we can walkthrough.</p>

13/06/14	<p>Item 169:</p> <p>Contracts - Further to request 97, we would like to confirm if the listing provided is ALL frame work contracts that are in place for all services and directorates? For example, we have seen 'CE/SC.05/2376147/London Borough of Croydon, Croydon Framework - Audit Contract' within the Agresso data. This may fall under one of the contracts you have listed in response to request 97, but we were hoping to obtain a listing of suppliers at organisation level that are on framework contracts.</p>
13/06/14	<p>Item 170:</p> <p>Contracts - Further to above, is it possible for an organisation to be on a framework and be awarded contracts outside of the framework?</p>
13/06/14	<p>Item 171:</p> <p>Contracts - Further to above is there any way to identify what payments / transactions are on a framework from the Agresso data we have?</p>
16/06/14	<p>Item 172:</p> <p>Contracts - Can we have a download of the local suppliers from the two websites provided in item 90? We are unable to access these on the website without a log-in.</p>
16/06/14	<p>Item 173:</p> <p>Contracts - The Cabinet meeting minutes provided on the shared drive for the 7 November 2012 do not appear complete. There are two confidential reports for consideration but only one is attached (item 16.1). Please can we have a copy of the report relating to The Learning Disabilities Day Opportunities (item 19.1).</p>
17/06/14	<p>Item 178:</p> <p>Contracts - Invoice 125639 / Arthur Mckay&amp; Co: The value posted to the CLC cost centre is £12,543.60, we therefore understand that this is a level 2 contract. Please can you confirm whether this is correct and provide all supporting documentation for the tender process including: details of suppliers invited to quote; explanation of how these suppliers were selected; copies of the invitations to quote; quotations received; any documents relating to the evaluation of the quotes, and details of the contract award.</p>
18/06/14	<p>Item 180:</p> <p>Contracts - Contract AHWB4171 - As per the contracts listing this contract expired on 31 March 2013. The re-tender of this contract (AHWB 4396) is on the Cabinet Forward Plan (13 March 2013) but the re-tendered contract is not on the contracts list. Who is the current provider of this contract? Please can we have the all the documentation relating to the re-tender of this contract.</p>

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APPENDIX THREE

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London Borough of Tower Hamlets  
Legal Department  
Mulberry Place  
5 Clove Crescent  
London  
E14 2BG

**APPENDIX THREE**

29/08/2014	Refusal Decision of Mr Justice Parker
05/09/2014	Application for Oral Permission Hearing
05/09/2014	Grounds for Renewal

APPENDIX THREE



**In the High Court of Justice  
Queen's Bench Division  
Administrative Court**

CO/3037/2014

In the matter of an application for Judicial Review

**THE QUEEN**

on the application of **LONDON BOROUGH OF TOWER HAMLETS**

versus

Claimant

**SECRETARY OF STATE FOR COMMUNITIES AND LOCAL  
GOVERNMENT**

Defendant

**On the Claimant's application for Judicial Review**

Following consideration of the documents lodged by the parties

**Order by the Honourable Mr Justice Kenneth Parker**

1. Permission Refused

**Reasons**

1. The first ground is hopeless. PwC was not appointed as inspector until after the relevant legislation was in force on 4 April 2014. The Defendant, before that date, was plainly entitled to exercise his common law power to ask an expert body to assist him by providing advice on any aspect of public affairs that was of potential concern to him.
2. As to the second ground, there was no express statutory duty to give reasons, and any implied duty was limited to telling the local authority in brief terms why the Defendant had appointed an inspector. The matters set out in paragraph 2 of the letter of 4 April 2014 were sufficient, especially against a background of serious and responsible concern in the public domain, to inform the Council why the appointment had been considered appropriate. This is not a case where the Council can credibly complain that it was in the dark as to why PwC had been appointed.
3. As to the third ground, this is labelled 'irrationality'. That is a misnomer. What is alleged is that the Defendant exercised the relevant power for a purpose that was not within the proper scope of the legislative intent. However, that legislative purpose is broad: to carry out an inspection of an authority's compliance with its best value duty. That latter duty is itself broad: to secure continuous improvement in the way in which an authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Where concerns have been raised that a local authority is poorly governed, poorly managed financially and may even have engaged in fraud, it stands to reason that there must be concerns as to whether such an authority has exercised its functions as economically, efficiently and effectively as could properly have been expected. The contrary is simply not arguable.
4. There is also a serious issue as to delay. This is an application that plainly had to be brought within days, not months. All of the grounds relied on, though unmeritorious, were there to be advanced on 4 April when the decision was taken. A prompt challenge could have been dealt with expeditiously. Instead, the Council allowed the inspector to carry out its investigation for a substantial period, no doubt at considerable public expense and with the diversion of Council resources, before launching its belated challenge, and asking months later that the decision be quashed and that the national tax payer reimburse this Council for the inspection fees. In my view, there is no good reason for extending time beyond the prompt period in which this claim



should have been brought; and it is, furthermore, not arguable that, having regard to the Council's conduct, this Court, taking into account the interests of good administration (of which the Council is, or should be, fully aware) would grant the relief requested.

5. If the application for permission is renewed to an oral hearing, it must be heard by a High Court judge (not a Deputy).

Signed



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Sent to the claimant, defendant and any interested party / the claimants, defendants, and any interested party's solicitors on (date): **29 AUG 2014**

**FORM MPA**

LBTH  
LEGAL DEPARTMENT  
- 3 SEP 2014



**In the High Court of Justice  
Queen's Bench Division  
Administrative Court**

CO Ref no: CO/3037/2014

In the matter of a claim for Judicial Review

The Queen on the application of

LONDON BOROUGH OF TOWER HAMLETS

versus SECRETARY OF STATE FOR COMMUNITIES AND LOCAL  
GOVERNMENT

**Notice of RENEWAL of claim for permission to apply for Judicial Review (C P R 54. 12)**

1. This notice must be lodged in the Administrative Court Office, by post or in person and be served upon the defendant (and interested parties who were served with the claim form) within 7 days of the service on the claimant or his solicitor of the notice that the claim for permission has been refused.
2. If the claim was issued on or after 7 October 2013, a fee is payable on submission of Form 86B. Failure to pay the fee or lodge a certified Application for Fee remission may result in the claim being struck out. The form for Application for Remission of a Fee is obtainable from the Justice website <http://hmctsformfinder.justice.gov.uk/HMCTS/FormFinder.do>
3. If this form has not been lodged within 7 days of service (para 1 above) please set out below the reasons for delay:  
N/A
4. Set out below the grounds for seeking reconsideration:

Please see attached Grounds for Renewal

5. Please supply

COUNSEL'S NAME: Jonatan Swift QC and Christopher Knight  
COUNSEL TELEPHONE NUMBER: 02076328500 HKBW

Signed

Dated 5<sup>th</sup> September 2014

Claimant's Ref No. L/C/BestValue/STCS8/DG  
Tel.No. 02073644348 Fax No. 02073644804/4861

To the Administrative Court Office, Royal Courts of Justice, Strand, London, WC2A 2LL

FORM 86B

**IN THE HIGH COURT OF JUSTICE**

**Claim No: CO/3037/2014**

**QUEEN'S BENCH DIVISION**

**ADMINISTRATIVE COURT**

**BETWEEN**

**THE QUEEN**

on the application of

**LONDON BOROUGH OF TOWER HAMLETS**

**Claimant**

**-and-**

**SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT**

**Defendant**

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**GROUNDS FOR RENEWAL**

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*Estimated time for oral renewal hearing: 1-2 hours*

**A. Introduction**

1. The Council renews its application for permission to apply for judicial review of the Decision of the Defendant to carry out an inspection of the Council under section 10 of the Local Government Act 1999. The Council repeats the facts set out in its Grounds for Review and Statement of Facts, and adopts the definitions used in those Grounds.
  
2. It is at least an arguable case that the Defendant unlawfully failed to provide any, or any sufficient, reasons for his Decision. Consequently, the rationality and propriety of the Decision cannot be assumed. Kenneth Parker J erred in refusing permission on the papers.<sup>1</sup>

**B. Failure to Give Reasons**

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<sup>1</sup> For the avoidance of doubt, the Council does not renew its application for permission on the first ground concerning the lack of power to commence the inspection.

3. The Council has set out why fairness requires that the Decision imposed an implied obligation to give reasons: see Grounds at §36. The Judge's reasons do not engage with the requirements of fairness, or those specific arguments, at all. Without such an engagement, the extent or scope of the duty cannot sensibly be determined.
4. The Judge accepted that there was an implied duty to give reasons but that it "*was limited to telling the local authority in brief terms why the Defendant had appointed an inspector*" because there was a background of "*serious and responsible concern in the public domain*". This conclusion was wrong. Precisely because various allegations had been made (for example, the range of matters referred to in the course of the BBCPanorama programme) it was necessary for the Defendant to explain, even in brief terms, which of those allegations he deemed worthy of justifying an inspection and which are not. The 4 April Decision letter does not explain this; it simply states that the Defendant "*had regard*" to the BBC Panorama programme [MSG1, p.14]. The Judge does not explain how the 4 April letter is consistent with *South Buckinghamshire DC v Porter (No.2)* [2004] UKHL 33; [2004] 1 WLR 1953, or alternatively why it is not necessary to comply with Lord Brown's judgment in that case. The Council has explained in its Grounds at §37 how the *Porter* guidelines have been breached.
5. For the avoidance of doubt, it is not the Council's case that it was wholly "*in the dark*". Rather the Council's case is clearly explained at §§39 – 40 of the Grounds. Without a clear statement of the allegations relied on to make the inspection Decision, the Council is unable to assess the propriety of the scope of that inspection, or the rationality of the Decision to commence it. Given the very significant consequences (set out at §36 of the Grounds) to the Council, the failure to identify the allegations relied on causes considerable unfairness.

### **C. Irrationality**

6. The point made above explains the Council's position on irrationality. This is set out clearly at §§47 and 49 of the Grounds. The Judge was wrong to characterise the Council's case as solely about whether the Defendant acted for a permissible purpose

(although it is an aspect of the irrationality challenge: see at §49 of the Grounds). The Council's complaint under this ground arises as a consequence of the failure to give reasons. Without information as to the allegations were relied on in taking the Decision, and the Court cannot be satisfied as to the rationality of the grounds relied upon, or the rationality of the belief, if any, the Defendant had.

7. The Judge was wrong to adopt the Defendant's mischaracterisation of the Council's case on irrationality. The Council has always accepted that the section 10 power is broad (see Grounds at §42), and it does not doubt that in cases of alleged poor governance the best value duty may have been breached (Grounds at §45), but the assertion of those points in stronger terms does not answer the point in the preceding paragraph, which the Judge did not address.

#### **D. Delay**

8. The Judge was wrong to state that the Council has improperly delayed.
  - (1) The Council requested reasons and further detail from the Defendant on 10 April 2014 [MSG1, pp.23-24], within days of the Decision. The Council reiterated that request and queried the scope of the inspection in a further letter to the Defendant of 8 May 2014 [MSG1, pp.36-38]. The Defendant's response to these queries was leave the scope of the inspection in the hands of PwC, without any apparent direction or oversight (letter of 14 May 2014 [MSG1, pp.41-43]).
  - (2) Had the Council not raised these matters in correspondence and proceeded straight to legal action, the Defendant would doubtless have criticised it for acting precipitately.
  - (3) Following the correspondence in April and early May 2014, the Council was not able to proceed directly to issuing a pre-action letter because of the local government and Mayoral elections taking place on 22 May. The pre-action letter was sent shortly after the conclusion of the elections and the confirmation that the Mayor had been re-elected.

9. Moreover, the Judge erred in concluding that even if the Council's claim succeeded the Court would not grant relief, taking into account "*the interests of good administration*". He does not explain what interests of good administration would prevent the grant of relief given (on this hypothesis) conclusions that the Defendant had acted both unfairly (the Council's second ground) and irrationally (the Council's third ground). In such circumstances it is unclear why good administration, in whatever sense, would unarguably require the refusal of relief. The Defendant's Summary Grounds do not themselves rely on the interests of good administration.

**E. Conclusion**

10. Permission to apply for judicial review should be granted.

**JONATHAN SWIFT QC  
CHRISTOPHER KNIGHT**

**11KBW**

5 September 2014

# Agenda Item 7.2

<b>COMMITTEE:</b> Overview and Scrutiny Committee	<b>DATE:</b> 06 January 2015	<b>CLASSIFICATION:</b> Unrestricted	<b>REPORT NO:</b> 7.2
<b>Report of:</b> Service Head, Democratic Services <b>Originating officer(s)</b> Matthew Mannion, Committee Services Manager		<b>Title:</b> Reference from Council –Best Value Inspection undertaken by PwC <b>Wards Affected:</b> All Wards	

## 1. **SUMMARY**

- 1.1 At its meeting on 26 November 2014, Council considered a motion on the findings of the Best Value Inspection of the Council undertaken by PricewaterhouseCoopers (PwC).
- 1.2 After debating the matter, Council agreed an amended Motion that requested that the Overview and Scrutiny Committee undertake a review of the issues raised and the responses to the points raised in the motion and to present a report back to Council for consideration.
- 1.3 The amended Motion is attached at Appendix 1 but as it also referred back to issues raised in the original Motion, so the original Motion as printed on the Council agenda has been attached as Appendix 2.

## 2. **RECOMMENDATIONS**

The Overview and Scrutiny Committee is recommended to:-

- 2.1 Note the referral request and consider a response.

## 3. **BACKGROUND**

- 3.1 The Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution entitles the Committee to consider work requests submitted by Council. Should the Overview and Scrutiny Committee decide to accept the request then it can submit a report containing their recommendations back to Council for them to consider at their next meeting. The relevant paragraph of the Overview and Scrutiny Procedure Rules is set out below for information.

Para - 9.2 The Overview and Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and if it considers it appropriate the Mayor or Executive to review particular areas of Council activity. Where they do so, the Overview and Scrutiny Committee shall report their findings and any recommendations back to the Mayor/Executive and/or Council. The Executive shall consider the matter at one of its next two meetings following receipt of the report. If the matter is relevant to the Council only then they will consider the report at their next meeting.

**4. BODY OF REPORT**

4.1 The motion passed at Council is attached to this reference report as Appendix 1 and the Original Motion is attached as Appendix 2.

4.2 The Overview and Scrutiny Committee are therefore requested to review the reports and to prepare a report back to Council containing their considered views and recommendations on the issues concerned.

**5. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

5.1 When responding to full Council, Overview and Scrutiny need to consider that a budget for any independent legal advice will need to be clearly identified in advance of that service being procured.

**6. LEGAL COMMENTS**

6.1 All relevant legal matters are incorporated in the body of report.

**7. ONE TOWER HAMLETS CONSIDERATIONS**

7.1 None directly related to this report.

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

8.1 None directly related to this report.

**9. RISK MANAGEMENT IMPLICATIONS**

9.1 None directly related to this report.

**10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 None directly related to this report.

**11. EFFICIENCY STATEMENT**



11.1 None directly related to this report.

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**12. APPENDICES**

12.1 Appendix 1 – Text of the amended Motion agreed at Council on 26 November 2014.

Appendix 2 – Text of the original Motion as set out in the agenda for the Council meeting on 26 November 2014.

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

<b>Brief description of “background papers”</b>	<b>Name and telephone number of holder and address where open to inspection.</b>
None	Matthew Mannion X4651

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**Full Council 26 November 2014  
Decision 12.3 Motion regarding the Best Value Inspection  
undertaken by PwC**

**Proposed by: Councillor Peter Golds  
Seconded by: Councillor Chris Chapman**

**Amendment proposed by Councillor Rachael Saunders  
Seconded by Councillor Shiria Khatun**

This council believes:

1. That a wide range of local people and organisations have tenaciously fought long standing campaigns on unjust distribution of grants, improper decision making in the procurement of services and failures in the disposal of assets, including through rigorous scrutiny and debates at full council.
2. That public money is at stake, along with public trust and proper accountability. Every community in our country is entitled to the highest standards of probity and honesty in our democracy. No community should have to put up with lower standards of democracy and transparency.
3. That the Mayor and his administration can no longer avoid taking responsibility for their failures now that an audit report has set out multiple failures of the best value duty.
4. That in the debate in the House of Commons members of parliament from across political parties were shocked by the failures of the administration and the Mayor.
5. That multiple failures of the best value duty – the statutory responsibility of local authorities to do the right thing with tax payer’s money – are extremely serious, and that local people are deeply concerned about the leadership of this authority.

This council further believes:

1. That the report sets out nine ongoing criminal investigations into alleged fraud relating to youth services.
2. That the report demonstrates that, through changes to grants recommendations, the Mayor chose to make cuts to vital services in the poorest parts of the borough, whilst giving money to organisations ruled ineligible.
3. That the view of the auditors is that “current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty”.

4. That Lutfur Rahman has brought shame to our great borough, and should consider his position.
5. That there are many important questions to which local people deserve answers.

This council resolves:

1. To require from the Mayor and senior management team of the council a full response to the issues raised in the auditor's report, including but not limited to answers to the following questions:
  - According to the audit report, there is evidence of nine incidents of alleged fraud in relation to the Youth and Community Service, and that "no discernible procurement process appears to have been followed". Please provide the fullest possible information about these payments. Will the Mayor and corporate director cooperate fully to ensure that these police enquiries can be concluded as soon as possible? What action will the mayor take to reassure local people about the quality and integrity of their youth services?
  - The report has found that the Mayor's decisions led to cuts in grants to the poorest parts of the borough. What is the mayor's explanation for these cuts? What will he do to reinstate the services that were cut unjustly? Please provide full information about the monitoring that has been done of services funded through all grants awarded since May 2010.
  - There are multiple examples of buildings – Poplar Town Hall, Sutton St depot – sold to bidders who submitted their bids after those from their competitors had been opened. Why was a one year rent free period given, and why was £50,000 given for health and safety works? Why was £135,000 handed over to a private business? This incentive was not offered to other bidders. Does the Mayor regard this as acceptable practice? What will he do to prevent it happening again? Who does he regard as responsible for their failures of the Best Value Duty?
  - Over the course of this four year term the Mayor proposes to spend £1.4million on mayoral advisers. The audit report found that spending on his media advisers failed the best value duty. Will he cut his wasteful advisers instead of proposed cuts to nurseries for disabled children and proposed cuts to social services?
  - What was the 954 fund?
  - Can the Mayor explain his role in the procurement of learning disability day services, as set out in the report? How did that decision relate to what was happening with the mainstream grants process?

2. This council resolves that this should be sent to all councillors by the 12<sup>th</sup> December 2014.
3. That this response should also answer all issues and questions raised in the original motion 12.3, and should cover all other issues of public concern and each of the best value failures identified.
4. That following receipt of this, and its consideration by political groups on the council, (or in any case if a response from the executive is not forthcoming) we mandate the Overview and Scrutiny committee to undertake further interrogation of issues raised in the report as it sees appropriate, and to report back to Full Council on its findings.

This council further resolves:

1. That whilst it is a source of shame to this borough that we have reached the point of government intervention, this council resolves to work constructively with commissioners, assuming that they are appointed.
2. That it is vital that scrutiny arrangements are in place to provide democratic oversight of the work of the commissioners. To call on the head of paid service to ensure these arrangements are in place.
3. To call on the Head of Paid Service to convene the long awaited governance review, with councillor representation from all political groups and representatives from the LGA, as a matter of urgency, in the light of the governance failures set out in the report.
4. To reaffirm our position on the need for a Chief Executive with full authority, and permanent appointments to the other two statutory officer positions.
5. That, if Lutfur Rahman and his cabinet increased the cost of the audit through delays, he should pay from his own pocket. Local people have already paid many times over for his failures.

**Full Council 26 November 2014  
Decision 12.3 Motion regarding the Best Value Inspection  
undertaken by PwC**

**Original Motion Proposed by: Councillor Peter Golds  
Seconded by: Councillor Chris Chapman**

This Council notes the delivery of the Best Value Inspection undertaken by PwC and presented to Parliament on November 4<sup>th</sup>.

The Council also notes that there were two major speeches from both the Government and Opposition front benches and nineteen contributions from backbenchers from all sides of the House. In all of these serious questions were raised as to the organisation and management of this Authority.

As a matter of fact and public interest the Council records the following from the report:

1.11. We note in addition that, as at the date of this report, there are a number of criminal investigations ongoing into allegations of fraud.

2.57. We note that evidence of possible fraudulent payments has been identified and reported by the Authority to the police in connection with nine third sector organisations (not included in our sample) that received monies under the YCS programme. By agreement with the police, we have not examined these matters in detail.

The Council expresses concern that the obvious fact that PwC did not examine matters that are currently being considered by the police is being intentionally misrepresented.

As a further matter of fact and public interest the Council also records the following from the report:

1.46. "Despite its public assertions of support for the Inspection, the Authority has at various stages raised a number of obstacles to our progress which have significantly delayed the provision of information or documentation and which in large part led to our request for an extension to the timetable for the inspection.

The Council notes the following quotations with regard to each area of Inspection.

With regard to grants the report states:

2.7. In relation to the matter of grant making we conclude that the authority is failing to comply with its best value duty.

2.7. A lack of transparency generally over the rationale for decisions as to grant awards. Where application processes exist, the evaluation of these applications has been to a significant event overridden without any clear rationale.

2.7. Grants were awarded to organisations which were ruled ineligible or which did not meet the required evaluation score.

2.33. Applicants [who had not met the minimum criteria for an award after evaluation] were recommended to receive, in total, awards of £407,700.

2.36. In interview, the Mayor told us (PWC) that he had not been involved in the detail of awards, although he had kept abreast of things generally through occasional high level discussions with one Member in particular. This is somewhat at odds with an email dated 8 August 2012, shortly after the initial circulation of the original officer recommendations, which stated that *“the Mayor has requested a vastly expanded Appendix 1”*. We also note that a press statement dated 1 April 2014 put out by the Mayor’s office in response to the BBC Panorama programme included an assertion to the effect that the Mayor, acting within his powers, had intervened in 32 specific cases.

With regard to the transfer of property by the authority the report states:

2.8: In relation to three of the four property transactions we looked at in detail, namely Poplar Town Hall (“PTH”), Sutton Street Depot and Mellish Street, we conclude that in those instances, **the Authority failed to comply with its best value duty.**

Concerning the disposal of Poplar Town Hall, the report refers to the **six** reports submitted by Mazars to the council. It confirms, 2.9, that the authority accepted a late bid from the winning bidder after other bids had been opened, that the authority did not, in fact, select the highest bidder, and that the winning bidder also asked for and was granted changes to the contract which it had signed. Finally it notes “as a matter of fact”, the winning bidder is connected to a person with other business interests that had an association with the Mayor.

Noting the contract race, as outlined in 2.9., the report publishes, 5.71b, the email exchange with the following statement from a Council solicitor;

“However, (an officer) is only doing what he is told, this has come from the Mayor.”

Summing up, PWC expresses concern at the comments made in 5.104-5.109 that the instruction to Mazars was “a narrow interpretation of the Full Council’s resolution” and as a result, records, 5.105, “It does not appear that Mazars have conducted a further investigation of the potential conflicts of interest.

With regard to the disposal of 111-113 Mellish Street:

PWC identifies the involvement of the Mayor in the leasing of this site in 5.182, whereby the group who were to acquire the site confirm by email that “He (the Mayor) would instruct an officer to support Consortium Member 1 in locating premises for their purpose.”

5.185 discloses the involvement of the Mayor in the ongoing process.

There are further details as to the short period of marketing the site, the low valuation and controversies as to its use following acquisition by the successful consortium.

The disposal of Sutton Street depot indicates further concerns as to best value in its disposal and is covered in detail in sections 5.120-5.180.

The Council further notes that East End Life was excluded from the investigation but with regard to publicity:

2.13-2.14 PWC, in examining whether “media advisers to the Mayor were genuinely for the benefit of the authority or of a party political nature pertaining to the Mayor.”, conclude that “we found a lack of control around the monitoring of the demarcation of activities, based on a lack of documentation based on these activities.” Their final conclusion is a failure to comply with best value duty.

2.17 concerns the Ofcom findings as to political advertisements placed on TV channels and concludes, “This itself constitutes a failure to comply with best value duty.”

The report is critical with regard to contracting:

2.108: “Both we in our limited sampling and the Authority’s Internal Audit function in their work have found instances of procurement policies and procedures have not been adhered to. Examples include:

- a. An absence in a significant number of cases of signed contracts;
- b. A prevalent lack of audit trail in procurement documentation;
- c. Some instances during the early part of the Period where the correct number of quotations had not been received. On the evidence we have examined, we do not see this recurring to the same extent later in the Period;
- d. Lack of evidence of tollgate reviews in a significant minority of procurement files;
- e. Some examples of a failure to provide bidders as required with information concerning the criteria for evaluation of bids;
- f. Lack of maintenance of complete contracts registers by directorates; and
- g. Lack of monitoring by Central Procurement of the adherence of directorates to procurement procedures in their areas.”



2.109: In addition, there is some evidence – albeit disputed – of the involvement of the Mayor and/or other Cabinet Members in the selection of suppliers in one case at the PQQ stage.

The Council notes the following conclusions regarding the governance and overall management of the Council:

2.23: “in our view the current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty of the kind we have identified. This calls into question the adequacy of these governance arrangements”.

2.22: “Furthermore, in our view the Authority’s response to the identification of issues in the above areas [i.e. the areas considered in the report] suggests a tendency towards denial or obfuscation rather than an inclination to investigate concerns raised”.

2.22 (d): “in its communications with advisers and others in relation to the BBC Panorama programme, the Authority tended to pronounce allegations to be baseless and/or politically motivated without having conducted what we would consider to be an adequate investigation into the issues raised”.

2.20: “At the core of the Authority’s system of governance are the statutory officers, specifically the Head of Paid Service, the section 151 Officer and the Monitoring Officer. All of these positions have been held by a variety of individuals through the course of the Period. Currently, all of these positions are held on an interim basis.”

2.113: “Since July 2012, the Authority has had no Chief Executive. One of the Authority’s Corporate Directors has since that time (with a short hiatus) fulfilled the role of Head of Paid Service, as required by statute, however the Head of Paid Service has not had the full powers of a Chief Executive delegated to him under clause 3.5.5 of the Authority’s constitution. These powers have remained with the Mayor. This means that, for most purposes, the Head of Paid Service, other statutory officers (being the Section 151 Officer and the Monitoring Officer), as well as other Corporate Directors are all directly accountable to the Mayor.”

This Council, noting this ongoing failure of governance and best value:

- Welcomes the appointment of Commissioners to oversee Best Value in the future and pledges to work with them to this end.
- Seeks to ensure the speedy appointments of; 1. A Chief Executive; 2. Monitoring Officer and 3. Section 151 Officer, to work with the Commissioners, Administration and Council.

- The Council refers the PWC Report to the overview and Scrutiny to consider comments relating to the disposal of Poplar Town Hall in their deliberations, drawing attention to the comments in 5.104-5.109 regarding the narrow interpretation of the original resolution of January 2014 and inviting Mazars, in view of this to further examine “conflicts of interest.”
- The Council with regard to the disposal of both 111-113 Mellish Street and the Sutton Street Depot resolves:
  - To instruct the Head of Paid Service to call in the District Auditor to undertake an immediate investigation into the marketing and disposal of both sites.
  - That this investigation should include details of all meetings held between officers of the council, bidders and those responsible for publicising the sale.
  - That the investigator should identify and publish details of all meetings and correspondence between the Mayor, Cabinet and Mayor’s Office relating to the disposal of both sites.
  - That there should be an independent property valuer to establish the estimated values of both sites at the time of disposal and that this should not be the consultants used in the marketing at the time.
  - That, in view of the seriousness of this situation, produces a report to be considered by first the Overview and Scrutiny Committee and then reported to the full council.
  - Furthermore, in view of the concerns raised by PWC as to the terms of reference given to Mazars with regard to Poplar Town Hall, the terms of reference should be agreed with the Proposer of this motion and the Chair of the Overview and Scrutiny Committee.

# Agenda Item 7.3

<b>Committee:</b> Overview and Scrutiny Committee	<b>Date:</b> Tuesday 6 <sup>th</sup> January	<b>Classification:</b> Unrestricted	<b>Agenda Item:</b> 7.3
<b>Report of:</b> Stephen Halsey, Head of Paid Service  <b>Originating officer(s)</b> Louise Russell, Service Head Corporate Strategy and Equality		<b>Title:</b> Refreshing the Community Plan for 2015  <b>Wards Affected:</b> All	

## 1. **SUMMARY**

- 1.1 This report sets out the approach so far to refreshing the Community Plan for 2015 onwards and proposed next steps. It proposes that, through the new Community Plan, the Partnership focuses on a number of high level and cross-cutting priorities, complementing the range of priorities already being progressed by the existing Community Plan Delivery Group structure. This report sets out potential cross-cutting priorities and asks Overview and Scrutiny Committee to comment on these.
- 1.2 An initial draft of the early sections of the new Community Plan, setting out key achievements, issues and current priorities for the partnership is attached at Appendix 1.
- 1.3 The report also sets out proposed steps for finalising the Community Plan by early in 2015/16.

## 2. **RECOMMENDATIONS**

- 2.1 Overview and Scrutiny Committee is asked to consider the initial draft of the 2015 Community Plan and comment on the proposed high level and cross-cutting partnership priorities, as set out in this report.

### **Finalising the Community Plan 2015**

- 2.2 These proposed priorities have been considered by Community Plan Delivery Groups, the Partnership Executive, the council's Corporate Management Network with partner invitees, and Executive members. The next step is to develop a draft Community Plan, reflecting the feedback from all stakeholders. A formal external consultation will be undertaken on this draft. At the same time, we will seek, through the Officer Working Group and Executive members, to

develop some specific commitments and actions to take forward the proposals which will form an action plan to accompany the final draft.

- 2.4 The final Community Plan will need to be agreed by Cabinet and subsequently by full Council as part of the Budget and Policy Framework. It will be presented to the Overview and Scrutiny Committee again as part of the Budget and Policy Framework process.

### **3. BACKGROUND**

- 3.1 A process to review the Community Plan and refresh it for 2015 onwards began earlier this year and we have been consulting partners and residents alongside discussions on the budget saving proposals. Through this process we have identified a range of challenges currently being addressed by the existing partnership delivery structure – the Community Plan Delivery Groups (CPDGs) and their respective strategies and action plans.
- 3.2 These delivery arrangements were reviewed earlier in 2014 and found to be generally fit for purpose, although there is an outstanding issue as to how public realm issues are progressed through this structure and the Tower Hamlets Housing Forum is currently considering its role in this. Since that review, a number of delivery arrangements have been strengthened, for example the Economic Taskforce is now meeting regularly and has a set of priorities and action plan. Key bi-lateral partnership arrangements are also being progressed – for example through the Integrated Care Board and the Memorandum of Understanding between the council and Job Centre Plus.
- 3.3 Initial feedback from CPDG members for the Community Plan refresh stressed the need for the Community Plan to build on rather than supplement or replace these existing arrangements.
- 3.4 In the context of this approach, it is not proposed that we should significantly change our existing Community Plan themes, which are well embedded and where we have established clear alignments, although not directly in all cases, to our delivery structure.
- 3.5 The proposed themes for 2015 would be:
- A great place to live
  - A fair and prosperous community
  - A healthy and supportive community
  - A safe and cohesive community
- 3.6 The only proposed change to the current set of themes is the addition of ‘fair’ to the prosperous community goal. This reflects the intention agreed at Cabinet to embed the Fairness Commission recommendations within the Community Plan where possible. It also responds to feedback from consultation that in promoting

and supporting prosperity across the borough, we need to balance that by ensuring that local residents and existing communities do not get left behind and benefit from growth.

- 3.7 It is also proposed that the cross-cutting theme of One Tower Hamlets and promoting equality and cohesion is retained, although the new plan will consider how we move this vision forward given the achievements already made in relation to One Tower Hamlets. Rapid growth coupled with public sector cuts has the potential to undermine cohesion and it remains important that we seek equality for all members of our community.
- 3.8 Finally, in response to this initial draft it has been suggested that the new plan strongly articulates the borough's history, what has been achieved and how far the Partnership has come. The launch of the Community Plan will be tied to the activities to celebrate the 50<sup>th</sup> anniversary of the borough.

#### **4. BODY OF REPORT**

##### **Agreeing high level priorities**

- 4.1 Within the context of existing delivery structures and commitment to these long-standing themes, the Community Plan needs a purpose of its own. In particular, the plan needs to be more than a summary of all that is in the existing partnership strategies and plans. To achieve this, we are discussing with CPDGs, members and the Partnership Executive an approach which would see the new Community Plan identify some high level and cross-cutting priorities which would seek to galvanise and motivate partners to strengthen and deepen our focus on some of our biggest challenges with the aim of making a real difference in these areas over the next 3-4 years.
- 4.2 In looking ahead over the next 3-4 years, perhaps our most significant challenge will be about seeking to continue the progress we have made as partners against a backdrop of ongoing reductions in public sector funding. How we address this will need to be a key theme throughout the plan.
- 4.3 In determining the plan's high level priorities, it is proposed that they should:
- Focus on cross-cutting or 'bigger picture' issues, cross more than one Community Plan theme or a broad range of partners
  - Address new challenges, or ones which have been more resistant to improvement in the past
  - Enable us to accelerate progress by jointly harnessing effort of all partners around shared goals, adding value to existing work,
  - Reflect the need to respond to budget reductions
  - Promote One Tower Hamlets.

- 4.4 Based on these criteria, some suggested areas are emerging. The key ones are as follows:

***Responding to population growth***

- 4.5 There is clear data about the number of new homes and new residents projected within the borough. There is some evidence about the nature of this new population. This brings with it pressure on existing services and infrastructure which will require joint approaches to ensure that we can provide schools and health facilities for all residents, enable people to move around the borough safely and that we also protect open space and the environment through managing pollution and air quality.

***Ensuring the impact of economic growth is fair***

- 4.6 Economic growth, including new homes and new businesses, provides significant opportunities for those living and working here. However, the nature of new jobs and new homes can sometimes mean that existing residents feel excluded. Lack of affordability of house prices and rents, ‘gentrification’ of certain areas and housing used as investment or second homes can all militate against development and regeneration being perceived as fair. The Fairness Commission looked at how we can keep rent levels in the borough truly affordable to local people – there is no easy answer to this but it will be key to maintaining mixed communities. As partners, we can make limiting this impact a key objective of development and regeneration plans. In addition, there is the danger of a growing gulf between the high end businesses in Canary Wharf and the rest of the borough – there is the potential for the partnership to do more to engage with these businesses and harnessing their potential for corporate social responsibility at a time when public services are being squeezed.

***Empowering residents and building resilience***

- 4.7 What can we as partners do to enable our communities to better support themselves against a backdrop of reducing public sector resources? There is a need to reduce dependence on public sector services and move into a greater enabling role. Where are there opportunities for greater civic engagement and co-production with individuals and communities, and how can partners develop and support these? We have a dynamic voluntary and community sector in Tower Hamlets – what should be our collective approach to working with and building capacity to maximise its potential despite? Can we develop a stronger partnership wide focus on early intervention activities which seek to build resilience and reduce dependence?

***Reducing significant health inequalities and their impact***

- 4.8 Whilst there is progress on education, employment and reducing child poverty, health inequalities remain persistent and have a real impact on life chances. There are high levels of ‘lifestyle risk factors’ around obesity, smoking, mental health. Can we develop a borough wide focus on healthy living, with all partners considering their role, and seeking to make a reality of the ‘health in all policies’?

### ***Harnessing partnership resources to increase employment***

- 4.9 Whilst employment rates are improving, they are still among the lowest nationally, with particular issues for women and ethnic minorities. Unemployment due to ill health, including mental illness, is a significant challenge. The levers around improving employment rates involve a number of partners, including those on a regional and sub-regional level with whom the partnership might engage more directly. Whilst employment is already a key focus for the Economic Taskforce there is an argument that as employment underpins so many other outcomes and life chances, and in itself boosts resilience and reduces dependence, there could be real benefit from a partnership wide focus on this, seeking to engage with all local employers and build an employment focus throughout regeneration and development activity.

### **Enabling activity**

- 4.10 The above proposals include suggestions about what the Community Plan might aim to achieve. In addition there is scope for the Plan to consider the how – the enablers that will support and underpin joint action around these priorities. Some proposed enabling actions include;
- Joint work to understand and respond to the impact and interdependencies of financial pressures across the local public sector
  - Exploring the potential for greater sharing of services and assets across the partnership
  - Integration and re-engineering of key services – such as health, social care and increasingly housing – making every contact count
  - Understanding population growth, and the needs of the changing community including new communities

### **One Tower Hamlets**

- 4.11 The One Tower Hamlets focus arose from consultation with local people who identified how strongly they valued and wanted to protect the diversity and sense of community within the borough. Our approach to One Tower Hamlets has focused on:
- Reducing inequality
  - Promoting cohesion
  - Strengthening community empowerment and leadership
- 4.12 The review of the Community Plan has reinforced the importance of these issues. The priorities identified above will help retain this focus, for example
- A focus on fairness and ensuring that no community is left behind will be key in maintaining cohesion within the borough
  - A focus on empowerment and resilience will ensure that communities are engaged and capacity built for community leadership

- A focus on health inequality and employment will enable us to tackle some of the key issues which militate against equality

4.13 In addition, it is proposed that once priorities are determined, we ensure that programmes of work for partners, explicitly include a focus on particular disadvantaged groups, as identified through our Borough Equality Analysis.

4.14 We have also identified as a key enabler the need to understand and plan around needs of a changing population, given the pace of change and growth in our community, which should explicitly consider how we can project and respond to the needs of new communities.

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

5.1 There are no direct financial implications arising from the recommendations within this report.

## **6. LEGAL COMMENTS**

6.1 The Community Plan contains the Council's sustainable community strategy within the meaning of section 4 of the Local Government Act 2000. The purpose of such a strategy is to promote or improve the economic, social and environmental well-being of Tower Hamlets and to contribute to the achievement of sustainable development in the United Kingdom.

6.2 As the law is presently framed, the Council is required to have a sustainable community strategy and may modify it from time to time. In modifying the strategy, the Council must consult and seek the participation of each partner authority and such other persons as the Council considers appropriate.

6.3 The Council must have regard to statutory guidance issued by the Secretary of State in July 2008 in the document entitled Creating Strong, Safe and Prosperous Communities. The statutory guidance indicates that authorities need to consider how to consult with local people, local businesses and third sector organisations.

6.4 The Deregulation Bill, which is being considered by Parliament, proposes to remove the obligation on local authorities to prepare sustainable community strategies. It will do that by deleting section 4 from the Local Government Act 2000 with consequent impact on Article 4 of the Council's Constitution. At the time of writing, the Deregulation Bill had completed the last day of the committee stage in the House of Lords and was to proceed to the report stage.

6.5 The deletion of the obligation to have a community strategy will not have the effect that the Council is prevented from having a strategy for the purposes previously served by a sustainable community strategy. It will, however, make



such a strategy discretionary. There may be good reasons, having regard to the Council's statutory functions, why the Council may choose to continue to have a Community Plan which sets the overall objectives for the Tower Hamlets Partnership.

- 6.6 Whilst the sustainable community strategy forms part of the Policy Framework, the adoption of the Community Plan is governed by the Budget and Policy Framework Procedure Rules. These provide that the Mayor has responsibility for preparing the draft plan for adoption by the full Council. Consultation is required with the Overview and Scrutiny Committee.
- 6.7 The Council is subject to the public sector equality duty under the Equality Act 2010, which requires the Council to have due regard to the following matters in the exercise of its functions: (1) the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Act; (2) the need to advance equality of opportunity between persons who share a relevant protected characteristic (RPC) and those who don't; and (3) the need to foster good relations between persons who share an RPC and those who don't. The Council should consider these matters in the development of the Community Plan and some form of equality analysis should be carried out to support such consideration. It is likely that consultation will need to be carried out in order to give due regard to the public sector equality duty when setting the partnership objectives.
- 6.8 The Council is required as a best value authority under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council is required to consult for the purposes of deciding how to fulfil its duty. The Community Plan may contain objectives designed to deliver best value and, accordingly, the Council should ensure that any consultation is targeted to enable it to determine how best to fulfil its best value duty.
- 6.9 The Council is required by section 3A of the Local Government Act 1999 to take steps to ensure that local representatives are involved in the exercise of Council functions if it considers it appropriate they should be so involved. This provides another basis for the Council to ensure that local people and organisations are properly involved in the development of the Community Plan. It should be noted, however, the Deregulation Bill which is referred to in paragraph 9.7 above proposes to delete the duty to involve.
- 6.10 Any consultation carried out for the purposes of developing the Community Plan should comply with the following criteria: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product

of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged. It may require inviting and considering views about possible alternatives.

- 6.11 The objectives set out in the draft Community Plan are broad and high-level but appear to be capable of being carried out within the Council's statutory functions. Regard will need to continue to be had to the limits of statutory power as the plan is developed.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 One Tower Hamlets remains a key underpinning theme of the Community Plan. Our approach to reflecting this in the Plan is detailed in this report in section 3.17 onwards. The Borough Equality Analysis has been updated and used to inform the development of initial proposals and ensure that in finalising the plan and accompanying action plans we show due regard to the requirements of particular equality groups and those with protected characteristics.

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

- 8.1 This report has no environmental implications

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no risk management implications arising from this report.

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

- 10.1 These proposals do not contribute to the reduction of crime and disorder

## **11. EFFICIENCY STATEMENT**

- 11.1 This report has no implications for efficiency

## **12. APPENDICES**

Appendix 1 – 2015 Community Plan initial draft

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

There are no background papers

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# Tower Hamlets Community Plan 2015

## Foreword

To be added

## Introduction

To be added. Give overview of current context and key information about the borough. Introduce themes and approach of this new Community Plan

## A great place to live

*Tower Hamlets will be a place where people live in quality affordable housing, located in clean and safe neighbourhoods served by well-connected and easy to access services and community facilities*

## Achievements

### More homes, better homes

Over 20,000 new homes were built in Tower Hamlets by the council and its housing provider partners between 2004 and 2013, of which 8000 were affordable. Tower Hamlets is consistently one of the top performing London boroughs for delivery of affordable homes. Our targets for new homes, as set out in the London Plan, are the highest in London - almost 4000 per year. This represents one tenth of the target for the whole of London. Over the next 10 years that equates to almost 40,000 new homes and over 100,000 more residents.

Almost 40% of households live in social rented accommodation. Within this sector, the number of non-decent homes is falling – by April 2015 the proportion will be down to 22%.

The partnership is also meeting its targets for the number of new affordable homes which are family sized, supporting our efforts to reduce overcrowding. 4800 overcrowded families have been re-housed in the last 4 years.

### Thriving community spaces

Local partners have made significant strides in reshaping and regenerating local areas. Through the Local Plan and our award-winning Core Strategy, the borough has clear spatial planning and development management policies which successfully guide and manage development in the borough. The Ocean Estate is now completely renewed, with many new homes and improvements to existing homes. Similar plans are underway at Blackwall

## Appendix 1: Community Plan 2015 DRAFT

Reach, in Bromley-by-Bow and Poplar. We now have a masterplan for Whitechapel which we hope to realise by 2025, awarded a silver medal at the 2014 National Planning Awards. The masterplan is designed to harness the economic benefits of the arrival of Crossrail in 2017, as aims to deliver new open spaces and squares, a destination shopping centre, a civic hub and new jobs at Med City, as well as many new homes. We will shortly be developing plans for the transformation of South Quay. Ahead of the Olympics, the borough delivered award-winning public realm improvements in Hackney Wick and Fish Island, on the fringe of the Olympic Park.

The Community Infrastructure Levy for Tower Hamlets is a new tax on development that will, for the most part, replace Section 106. The charging schedule, a document which sets the rates for CIL, went to an independent examination earlier this year and officers are now reviewing the decision and will publish this soon.

Tower Hamlets has over 232 hectares of open space and residents who use local parks and open spaces are consistently satisfied with them. In 2013 eight local parks received the Green Flag Award, the Government's scheme to recognise the country's best green spaces and parks. In both 2012 and 2014 Victoria Park won the Green Flag 'People's Choice' Award, and can deservedly be called the nation's favourite park.

The streets of Tower Hamlets are cleaner than in previous years, with significant reductions in litter, graffiti and fly-posting. Recycling rates in Tower Hamlets are higher than ever, continuing to rise each year and outperforming similar boroughs. An innovative new app, Find It Fix It Love It, helps residents to instantly tell the council about issues that need to be fixed or cleared up, enabling them to contribute to keeping the borough clean and green.

There is high demand for community spaces and facilities. The borough's Idea Stores and libraries have over 2 million visits a year, and Idea Store Whitechapel is the busiest in central London. They deliver over 900 courses and make a million loans annually, winning awards for their website, English language and adult learning provision. In 2013 a brand new Idea Store opened at Watney Market with 320,000 visitors in the first 10 months.

## **The challenges we face**

### **A fast growing population**

Tower Hamlets has experienced the fastest growing population in the country in recent years, growing almost 30% in between the 2001 and 2011 Census. This growth has continued, with the population rising from 254,000 in 2011 to 272,000 in 2013. This is projected to rise to 320,000 by 2022 and to over 350,000 by 2033.

Tower Hamlets is the third most densely populated borough in London, and the daytime population increases by 60%, rising to 428,000. Around 107,000 commuters head to work in Canary Wharf each day. Major tourist attractions like the Tower of London draw in over 4 million visitors each year.

There is concern from residents about the very visible impact of population growth, about the large numbers of high value homes being built, pushing forward gentrification and the negative impact that can have on existing communities. They worry about high-rise developments of luxury apartments, emphasising the disconnect between new, wealthier residents and lower-income communities. They want everyone to benefit from economic growth, not feel pushed out. Managing the impact of population growth, particularly community tensions this could give rise to, is a significant challenge for the borough.

### **Housing pressures**

Nowhere is the concern about population growth more acute than in housing. London as a whole has seen unprecedented increases in house prices and rents, driven by significant overseas investment, with market rates now bearing little relation to the income of most residents, as highlighted by the Fairness Commission. Ensuring enough affordable homes for residents is one of the biggest challenges the borough faces. The very high price of property in Tower Hamlets, combined with rising rents, welfare reform, reductions in public funding and restrictions in borrowing for affordable homes, making rising to this challenge all the harder.

There is enormous pressure on social housing – there are currently over 20,000 families on the housing waiting list. In particular there is a shortage of suitable family housing and we know that this then means there is a disproportionate impact on BME and Muslim families. There are also shortages in the number of wheelchair accessible homes for disabled people on the housing register.

We know homelessness is rising and it's getting harder to prevent, and rehouse people, given the pressures of population growth and the shortage of affordable homes available in the private sector as well as reform of the welfare system which is reducing and capping benefits.

One of the biggest housing issues in Tower Hamlets continues to be overcrowding – 16% of households have too few bedrooms, rising to 22% in the social rented sector. The council continues to re-house overcrowded families, with a target of rehousing 1000 families every year and overcrowded households given high priority on the housing waiting list. Unfortunately, a reduction in the number of affordable properties available to let and benefit changes, is making this effort harder.

The housing landscape in Tower Hamlets has changed significantly over the last 30 years, with large swathes of the borough regenerated. There has been huge growth in the private rented sector and many residents are understandably concerned about the quality of homes, the insecurity of tenancies in this sector and the impact that large number of privately rented properties has on estates and communities, as well as high rents. The council has therefore committed to pursuing a landlord registry scheme for Tower Hamlets with the aim of improving the quality of accommodation and having more influence over landlords in this sector.

### **Taking pride in the local environment, making best use of community assets**

Despite reductions in litter, graffiti and fly-tipping, public satisfaction with the cleanliness of the local environment is not as high as we would like. We need to understand and address the reasons for that. Furthermore, recycling rates are still below the London average and we know there is more we can do to enable residents to recycle more.

We know that having quality community facilities, delivering great services is really important to residents. Now more than ever the borough must make the best use of its assets, particularly buildings, making sure they are being well used by the community as well as generating value for money. Population growth puts ever increasing pressure on these community resources, whilst public sector funding cuts make it harder than ever to maintain and invest them. The council and its partners must find ever more innovative ways to utilise spaces and generate revenue and investment in local services and facilities.

### **Current partnership priorities**

There are a number of clear partnership priorities which are all contributing to making Tower Hamlets a great place to live, summarised below. These are captured by a range of strategic documents on housing and strategic planning and delivered by multiple partners. In addition, the Fairness Commission made a number of challenging recommendations on housing.

#### **Build more affordable homes for local people and improve the quality of existing homes**

- Build more affordable homes which meet the needs of all residents
- Develop new models of long-term investment in social housing
- Provide more homes to meet the needs of disabled people
- Improve the standard of private rented accommodation
- Keep all our council housing up to the Decent Homes standard

#### **Deliver key regeneration projects around the borough**

- Begin the regeneration of Whitechapel by realising the Whitechapel Vision Masterplan
- Relocate the town hall to the Old Royal London Hospital building in Whitechapel
- Continue the regeneration of Poplar
- Develop a Masterplan for South Quay

#### **Reduce overcrowding and under-occupation**

- Provide access to the right housing options at the right time

#### **Prevent people from becoming homeless, but support those who do**

- Promote multi-agency working, early intervention and building resilience

#### **Create good quality community spaces and facilities**

- Ensure the implementation of the new Community Infrastructure Charging Schedule for Tower Hamlets, whilst continuing to collect the London Mayor's CIL.
- Develop new libraries, youth and leisure facilities and a new arts centre
- Invest in parks and increase the number and quality of play spaces for children



**Making Tower Hamlets 'greener'**

- Tackle air pollution by cutting CO2 emissions
- Increase the recycling rate
- Improve road safety
- Invest in cycling

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# A fair and prosperous community

**Tower Hamlets will be a place where everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential**

## Achievements

### A thriving economy

Tower Hamlets has one of the most dynamic economies in the country, driven mostly by financial and business services. In coming years, regeneration programmes in Poplar, Bromley-by-Bow, Wood Wharf, Blackwall Reach and Whitechapel will contribute to that growth and by 2030 there will likely be 337,000 jobs in the borough, an increase of around 100,000 from current levels. There are over 11,000 businesses registered in Tower Hamlets. Whilst most local businesses are small or even micro businesses, employing less than 10 staff, Canary Wharf has a concentration of very large companies employing over 500 people.

The employment rate is improving and now the highest it has been for more than 10 years, narrowing the gap with the rest of London. The number of residents claiming Jobseekers Allowance is reducing, in line with London, as is the rate of child poverty which has fallen significantly in the last 4 years.

### Educational success

Tower Hamlets continues to experience significant improvements in education attainment and the borough's schools are amongst the best urban school in the world. GCSE results are now consistently above the national average and at A Level, the gap between Tower Hamlets and London has significantly narrowed, particularly for girls. More working age residents now have some kind of qualification, with 44% having a degree level qualification, above the London average. Furthermore, local partners have worked successfully in recent years to reduce the number of 16-18 years olds who are not in education, employment or training.

We know that changes to Government financial support for students is making it harder for students to stay in education and so Tower Hamlets has introduced Education Awards for post-16 students and Higher Education Awards to help students with the costs of university.

### A commitment to fairness

In 2012 the Tower Hamlets Fairness Commission was launched, bringing together a group of local community leaders and external thinkers, all independent of the council and statutory partners. They engaged residents, local stakeholders, businesses and a broad range of regional and national experts in a debate about life in Tower Hamlets in a context of fast-paced growth, economic inequality and increasing austerity. They made a series of challenging recommendations aimed at promoting more fairness and equality in employment, housing and money, now fully embedded within the partnership business

planning processes. One year on from the publication of their report, Commissioners were proud and impressed by progress made in implementing the recommendations.

## **The challenges we face**

### **High and persistent unemployment**

Despite the buoyant economy and a rising unemployment rate, Tower Hamlets continues to have high and persistent levels of unemployment, particularly amongst women and amongst Bangladeshi and Somali residents. Over 12, 000 people claim out of work benefits because of illness or disability, 6.2% of the working age population.

### **Continuing to narrow the gap in educational attainment**

Post-16 results have started to improve but we are still slightly below the London average in terms of performance. Early years attainment also continues to be a challenge, with some of the lowest results in London. Despite overall success, there are variations in GCSE results for some ethnic groups, with White British young people achieving below our targets.

Population growth means continued increases in demand for school places. More free schools are opening and there is continued pressure from Government for schools to switch to academy status. Tower Hamlets passionately believes that its schools are stronger working together and with the local authority to pursue ever greater educational attainment and fulfil the aspirations of local young people.

### **Many residents feeling left behind**

Feedback from the community and voluntary sector shows that far from feeling prosperous, many local people are concerned about the cost of living and making ends meet. Tower Hamlets is the third most deprived area in the country and despite decreasing significantly levels of child poverty remain the highest in London, affecting 39% of local children. 1 in 5 households has an annual income of less than £15,000 and over half an income of less than £30,000. At the other end of the scale, 15% of Tower Hamlets households have an income of more than £60,000 per year.

Although there has been a fall in the number of people claiming Jobseeker's Allowance, more Tower Hamlets residents claim benefits than on average in London, with in-work poverty a significant concern. About one third of housing benefit claimants are in paid work.

Such deprivation juxtaposed with the growth and wealth described above illustrates the significant inequalities which characterise Tower Hamlets, a microcosm of the growing inequalities between rich and poor across the UK. The Fairness Commission explored the determinants and impacts of this inequality extensively and its recommendations sought to address it, focusing on inequalities in all things 'money' related – income, costs of living and financial inclusion as well as employment opportunities and housing.

The Fairness Commission was particularly concerned with the so-called 'poverty premium', the additional costs of living faced by families because they are on a low income. This

concept was introduced by Save the Children some years ago and expanded more recently by the Joseph Rowntree Foundation who found that people on low incomes are less likely to be active consumers, because they lack 'enabling goods' such as internet access and bank accounts. Promoting digital and financial inclusion is therefore an essential aspect of reducing costs of living, and these are strong and growing areas of partnership working in Tower Hamlets.

### **Welfare reform**

Welfare reform poses one of the biggest challenges to the partnership, in terms of the economic wellbeing of residents as well as the financial impact on the council and housing providers. Partners need to work together to understand and demonstrate their impact on local people, as well as supporting residents through them. The government's welfare reforms have disproportionately affected local residents with over 700 households subject to the benefit cap and a further 2300 losing income because of the bedroom tax. Locally commissioned research estimates that by 2015 the cumulative impact of all welfare reforms will mean that households claiming benefits will be £1670 per year, or £32 per week, worse off. These impacts will affect over 40,000 households, over half will be households where someone is in work.

Next on the horizon are the introduction of Universal Credit and the transition from Disability Living Allowance to Personal Independence Payments. Improving digital and financial inclusion are issues particularly relevant to these changes, as benefit claims become digital by default and monthly payments are made directly to residents.

In terms of the services which support people into work and to progress, feedback suggests they are still too disconnected and not focused enough on the needs of individuals. We know that employment is the only sustainable way to mitigate the impact of welfare reform. A commitment has therefore been made to create more integrated employment services. This will be pursued by a range of partners to create a holistic response to residents in need of some extra help, not just in terms of employment services, but housing and welfare advice, health and wellbeing, family support, English and maths skills, financial and digital inclusion and childcare. This partnership approach will be essential as we move towards the next phase of welfare reform: the national roll-out of Universal Credit.

### **Connecting businesses with their community**

Inequality between the thriving businesses based in the borough and the people who work there, and many local residents is stark and feels unfair. Local people want to see businesses making more effort to connect and contribute to their local community, whether creating training and employment opportunities, linking with schools and young people or through more traditional philanthropic activity.

The Fairness Commission picked up on these concerns and advocated for much stronger links between locally-based businesses and Tower Hamlets residents, through employment opportunities, work experience for young people and a better matching of corporate social responsibility activities with local needs. Going forward, this will be driven by a new Business Charter for Tower Hamlets, which will bring together businesses with local public

and voluntary sector agencies encouraging everyone to ‘buy local, employ local, support local’.

### **Creating healthy high streets**

Healthy high streets and town centres are an essential part of a thriving local economy and have been the subject of numerous reviews at a local, regional and national level, including the independent review by Mary Portas. Concerns are often raised by residents and businesses alike about empty shops, the availability of quality and healthy food, and the balance of outlets ensuring there are products and services which meet the needs and expectations of broad range of residents. Many residents are also concerned about the proliferation of gambling outlets, fast food takeaways and payday lenders on local high streets. Until recently local authorities had very little power to prevent these. We know that a strong partnership approach is required to say what a ‘healthy high street’ means in Tower Hamlets and to work together to achieve that.

## **Current partnership priorities**

Partnership priorities and activities in pursuit of a prosperous community are captured by the Enterprise and Employment Strategies, the work of the welfare reform task group, the Financial Inclusive Tower Hamlets Partnership and the Children and Families Board.

### **Enable children and young people to achieve their full potential**

- Provide free school meals for all primary school children in the borough
- Keep pushing our GCSE and A-Level results above the national average
- Increase aspiration and educational achievement post-16 and on to university
- Expand our schools and increase the number of school places
- Ambitious targets for expansion of childcare provision

### **Better support residents through welfare reform, and into work, through an integrated employment and support service for Tower Hamlets**

- Reimagine local employment services so they work better for local people
- Support to enable disabled residents and those with physical and mental health conditions to work
- Becoming an online, more digitally inclusive, borough

### **Help reduce the costs of living and eradicate the ‘premium’ faced by many residents**

- Promote financial inclusion through the Financial Inclusive Tower Hamlets Partnership
- Continue to help residents reduce their energy bills with the Tower Hamlets Energy Co-op
- Support the development of the credit union and a Community Banking Partnership for Tower Hamlets

### **Develop the skills of residents**

- Generate more apprenticeships, traineeships and other opportunities for young people
- Develop skills provision for adults needing to re-enter the labour market, or upskill.

- Increase the number of employment opportunities for disabled residents

**Develop new a new Business Charter, encouraging businesses to ‘employ local, supply local and support local’**

- Support start-up enterprise by developing low-cost work space and creating business start up grants.
- Aim of 50% of all council contracts with local businesses
- Encourage more businesses to pay the London Living Wage
- Develop a healthy high streets strategy

**Build strong community leadership and social capital through a thriving voluntary and community sector**

- VCS shaping strategy and services and co-producing local services
- VCS resilience and financial sustainability
- Monitoring, evaluating and demonstrating impact

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# A safe and cohesive community

**Tower Hamlets will be a safer place where people feel safer, get on better together and difference is not seen as a threat, but a core strength of the borough**

## Achievements

### Falling crime rates overall

Overall, crime rates in Tower Hamlets have fallen over the last decade, total notifiable offences have fallen from a peak of 41,100 in 2002/3 to 27,000 in 2013/14. This is even more significant when you consider the population growth in that time. Although still worse than the London average, crime rates in Tower Hamlets are better than some of neighbouring boroughs. Personal robbery and residential burglary in particular have reduced.

### A strong sense of community cohesion

81% of residents, more people than ever, think that people from different backgrounds get on well together, showing there is a strong sense of community cohesion. This has risen from 69% in 2009. Tower Hamlets Partnership has a well-developed and responsive approach to community cohesion and tension, recognised by external bodies. The borough has therefore managed effectively attempts to divide our communities including a campaign of homophobic stickering and a protest by members of the English Defence League. This work is complemented by a successful Prevent Programme, led by the council in collaboration with a number of local partners.

Schools play an important role in fostering community cohesion, working with students, their parents and the wider community to promote tolerance and empathy between different groups, so they understand and respond positively to the pressures of today's society and reject all forms of unacceptable influence. Schools also support young people to secure the high aspirations they have for their futures so they can make a meaningful contribution to local, national and international relationships.

Key to promoting community cohesion is the borough's work to promote equality. Tower Hamlets is recognised as an exemplar of equality practice: the council was recently assessed as Excellent against the LGA Equality Framework for Local Government and continues to be recognised as a Stonewall Top 100 Employer, as is Tower Hamlets Homes.

## The challenges we face

### Addressing fear of crime

Understanding and addressing public concern about crime and anti-social behaviour, as well as continuing to reduce actual levels, is a priority for the partnership and remains one of our biggest challenges. Over the last few years public concern about crime has fallen considerable, but remains a top personal concern of residents, and community concern about drunken behaviour and drug use has risen slightly. There are strong links between drug dependency and acquisitive crime, and between alcohol abuse and anti-social

behaviour and violence. We know that tackling problem drinking and drug use is key to reducing these related crimes and reducing resident fear of crime further.

There are a small number of gangs, operating in particularly geographical areas of Tower Hamlets who are responsible for a significant amount of youth violence and drug dealing. We know that the presence of these gangs effects fears about community safety of local residents.

### **Protecting vulnerable groups**

The partnership has recently developed a new strategic approach to tackling violence against women and girls, recognising the range of agencies involved in this work and the need for strong partnership working. Last year there was a 20% increase in reported domestic violence incidents, although this may be due to an increase in reported incidents. Either way, it validates the priority placed on this area of work.

During our consultation process, people with learning disabilities in particular said personal safety was a key priority for them, as well as increased awareness and understanding of learning disabilities amongst Police officers and other staff.

Over the last few years, concerns about cyclists' safety has risen, due to a number of fatalities on the busy arterial roads through the borough.

### **Current partnership priorities**

Partnership priorities under this theme are agreed and pursued through the Community Safety Partnership Board, as set out in the Community Safety Partnership Plan.

#### **Reduce acquisitive crime and anti-social behaviour by tackling problem drinking and drug use**

- increasing the number of THEOs and creating joint task forces between the police and council to target hotspots
- Tackle drugs and alcohol misuse
- Create safer streets by maintaining our local police presence and improve lighting
- Address fear of crime and public confidence in the Police and other law enforcement services

#### **Limit local gangs and the impact they have on youth violence and fear of crime**

- Tackle gangs and serious youth violence

#### **Strengthen partnership work to reduce domestic violence and violence against women and girls**

- increasing investment in victim support and encouraging reporting

#### **Promote community cohesion**

- Establish an 'Every Voice Matters' strategy
- Continue to deliver a Preventing Violent Extremism programme



- Increase the number of hate crime reporting sites

**Find solutions to increase cycling safety on busy roads.**

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# A healthy and supportive community

**Tower Hamlets will be a place where people are supported to live healthier, more independent lives and the risk of harm and neglect to vulnerable children and adults is reduced**

## Achievements

### **Improvements in some areas of healthy living**

Efforts to make the Tower Hamlets population healthier have had some successes with significantly reduced teenage pregnancy rates and levels of childhood obesity falling slightly. More than 11,000 residents have been supported to stop smoking over the last 4 years. Tower Hamlets has some of the highest rates of childhood immunisations in the country. Life expectancy has increased over the last 10 years, as a result of effective investment of partner resources.

There have also been improvements in the social and environmental factors which affect health, due in part to the efforts of the partnership to promote healthy lives. For example, increasing and improving green spaces, increasingly the availability of healthy food, reducing the availability of counterfeit tobacco, alcohol and drugs, widening access to sexual health services and ensuring that people are informed and empowered to lead healthy lives.

The partnership is committed to promoting good mental health and wellbeing, with a separate strategy setting out how partners will work together to improve outcomes. The Tower Hamlets Health and Wellbeing Board was the first in the UK to sign the Time to Change Pledge as a partnership.

### **A national pioneer in the integration of health and social care**

Tower Hamlets, as part of an integrated care programme for north east London, has been given pioneer status by the Department of Health. This is recognition of our leadership in transforming the way health and care services are delivered. Through the Better Care Fund, local services are putting people in control of their health and wellbeing, personalising care and supporting the self-management of conditions and the promotion of independence, thereby reducing reliance on hospital services and emergency admissions.

The programme partnership is made of the London Boroughs of Tower Hamlets, Newham and Waltham Forest, the three borough Clinical Commissioning Groups, Barts Health NHS Trust, East London NHS Foundation Trust, North East London NHS Foundation Trust and University College London Partners. These are some of the

### **Improving services**

Tower Hamlets continues to deliver high quality and award-winning health and social care services. NHS Tower Hamlets Clinical Commissioning Group has been recognised by Britain's leading and most prestigious health sector awards for the excellent work it is

doing as a CCG and in improving care through technology. The borough's new dementia care pathways won a Municipal Journal Health and Social Care Award.

Local surveys show that the quality of life for users of adult social care services is improving, and more residents are having more control over their package of support. Tower Hamlets remains the only area in the country to provide free, non-means tested, homecare.

Local children's social care services are working well, both safeguarding and Looked After Children were rated good by Ofsted and the time between a child entering care and moving in with an adoptive family relatively low. The governance of local safeguarding arrangements for children's and adults are reviewed regularly and found to be robust, and in line with Working Together 2013. The Family Wellbeing Model has been recently reviewed and updated to reflect new guidance and working practices.

## **The challenges we face**

### **Persistent health inequalities**

Reducing the inequalities in health and wellbeing experienced by so many Tower Hamlets is one of the biggest challenges facing the borough. Although life expectancy has risen over the last decade it continues to be lower than the London and national averages and significant health inequalities persist. We know that people in Tower Hamlets tend to become ill at an earlier age and this is reflected in the 'healthy life expectancy' figure which is significantly lower than the national averages. 13.5% of residents have a disability which limits their daily activities, and Tower Hamlets has a higher number of residents with a severe disability compared with London and England, despite our relatively young population. Tower Hamlets has some of the highest death rates due to cancer, cardiovascular disease and chronic lung disease in the country, as well as the highest infection rates of HIV, TB and sexually transmitted infections.

### **Ensuring good mental health and wellbeing**

Good mental health and wellbeing is fundamental to quality of life. At least 1 in 4 people will experience a mental health problem at some point in their life. Characteristics of Tower Hamlets, such as low incomes, inequality, low employment and less access to green space, mean more people here are at risk of poor mental health compared with other areas. We already have higher hospital admission rates for adults with a mental illness and the number of people with dementia is projected to increase significantly in the coming years, in line with the ageing population.

### **A focus on health across the life course – from birth to death**

Maternal health, before, during and after pregnancy, and the first few years of a child's life are a critical period for a child's longer term health and wellbeing. Infant mortality in Tower Hamlets is not significantly different to the rest of London but more babies are born with a low birth weight compared to London. This is not surprising given the correlation between low birth weight and deprivation. In terms of behaviours which affect the health of a baby, 4% of mothers smoke during pregnancy, but this rises to 16% amongst white mothers.

However there are good levels of breastfeeding, significantly higher than the national averages, and immunisation take up for under 5s is amongst the highest in the country. Unfortunately, Tower Hamlets has some of the highest levels of child obesity in the country, with 13% of children in Reception year obese, increasing to 25% by Year 6.

Older people in Tower Hamlets are not very healthy. A survey of residents showed that more older people in Tower Hamlets are limited in their day-to-day activities compared with the average for London and England, 80% of over 80s have at least one chronic condition, and 35% have at least 3 'comorbid' conditions. We strongly suspect dementia is underdiagnosed and Tower Hamlets has the second highest stroke mortality rate in London. 50% of older people live below the poverty line and a high proportion live alone. There is therefore significant concern about loneliness and isolation of many older residents, and the effect that has on their health. Furthermore, only 10% of older people consume the recommended level of fruit and vegetables and only 20% get the recommended amount of exercise.

### **Challenges to healthy living in Tower Hamlets**

We know that there are higher levels of 'lifestyle risk factors' in Tower Hamlets compared to elsewhere. There are higher levels of tobacco use, unhealthy diet, physical inactivity, problem drinking amongst those who drink alcohol, risky sexual behaviours and drug use. These can be made worse by the environment we live in. For example, there are 42 junk food outlets per secondary school in Tower Hamlets.

### **High numbers of carers**

The 2011 Census identified that 7.6% of residents provide unpaid care to a family member, neighbour or friend. 3% of carers are young, 29% are aged 50 and over, 9% are aged 65 and over. 43% of carers provide more than 20 hours a week, and a quarter provide over 50 hours a week, many more than London and England averages.

The Care Act will increase the responsibilities of local agencies in relation to carers, ensuring they are given more support and encouraged not to neglect their own health and wellbeing.

### **Continued structural change and financial pressures in the health economy**

There have been significant changes to the NHS, with responsibility for commissioning most local health services shifting to Clinical Commissioning Groups comprised of local GPs and other health professionals. The establishment of the Health and Wellbeing Board and the development of the Health and Wellbeing Strategy has enabled local partners to work better together to address health inequalities and consider much more seriously how we can embed health considerations in all aspects of policy. Change will continue over the next few years with the implementation of the Care Act and the continued move towards integration between health and social care services. Whilst all of these can create opportunities, they also present a huge challenge in ensuring the efficiency and effectiveness of local health services. Financial pressures on health services are significant with NHS and social care services facing continued demand pressures and no real increase in funding.

## **Current partnership priorities:**

Ensuring the residents of Tower Hamlets are healthy and well supported is the responsibility of the Health and Wellbeing Board, a statutory partnership body, as well as the Children and Families Partnership Board. Their priorities are captured by the Health and Wellbeing Strategy and Children and Families Plan.

### **Ensuring a healthy start for every child**

- Promoting maternal health and people's experiences of maternity services
- Reducing infant mortality and promoting infant health
- Ensuring that all children are physically, emotionally, behaviourally and cognitively ready for school

### **Empowering people to live healthy lives together**

- Tackling obesity and promoting physical activity
- Reducing the prevalence of tobacco use and substance misuse
- Promote good sexual health

### **Promoting good mental health and wellbeing**

- Building resilience, mental health and wellbeing for all
- High quality treatment and support
- Living well with a mental health problem

### **Early identification and person-centred care for people with disabilities, long-term conditions and cancer**

- Create better care at home to help residents stay out of hospital
- Embed promotion of healthy lives into health and social care pathways through 'Every Contact Counts' programme
- Increase early awareness of symptoms of cancer, and reduce delays in cancer pathways

### **Integration of health and social care to provide joined-up and person-centred support**

### **Influencing the wider social and environmental determinants of health**

- Limit the impact of 'unhealthy' businesses on our high streets
- Tackle loneliness and reduce isolation amongst older residents

**Safeguard children through focus on sexual exploitation, harmful practices, children with disabilities and implementing a new neglect strategy.**

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# Agenda Item 7.4

<b>Committee:</b>  <b>Overview and Scrutiny Committee</b>	<b>Date:</b>  6 January 2015	<b>Classification:</b>  Unrestricted	<b>Report No:</b>  7.4
<b>Report of:</b> Corporate Director Resources  <b>Originating officer(s)</b>  Kevin Miles, Chief Accountant, & Kevin Kewin, Service, Manager, Strategy, policy & Performance	<b>Title:</b> <b>Strategic Performance and Corporate Revenue and Capital Monitoring Q2 2014/15 (Month 6)</b>  <b>Wards Affected:</b> All  N/A		

## Executive Summary

This monitoring report details the financial outturn position of the Council at the end of Quarter 2 compared to budget, and service performance against targets. This includes projected year-end position for the:

- General Fund Revenue, Housing Revenue Account and Capital Programme; and
- An overview of performance for all of the reportable strategic measures.

## Recommendations:

The Overview and Scrutiny Committee is recommended to:

- Consider and comment on the matters set out in the report.

## 1. Summary

1.1 This report appends the monitoring report for Cabinet which details the financial position of the Council at the end of September 2014 (Month 6) compared to budget. The report includes details of;

- General Fund Revenue and Housing Revenue Account;
- Capital Programme;
- Performance for strategic measures

This report is due to be tabled before Cabinet on 7<sup>th</sup> January 2015.

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

- 2.1 The comments of the Chief Financial Officer can be found under section 9 of the attached report to Cabinet. This details the Financial Regulations and the responsibility of senior managers to spend within budgets.

## **3. LEGAL COMMENTS**

- 3.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers.
- 3.2 Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may review and scrutinise the performance of the Council in relation to its policy objectives and performance targets. The provision of quarterly performance information is consistent with this function.

## **4. ONE TOWER HAMLETS CONSIDERATIONS**

Considerations dealing with the delivery of the One Tower Hamlets theme are included within the attached report.

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

An element of the attached report monitoring report deals with environmental milestones within the Great Place to Live theme.

## **6. RISK MANAGEMENT IMPLICATIONS**

Risk Management implications are detailed within the attached report.

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

There are no specific crime and disorder reduction implications in the attached report.

## **8. EFFICIENCY STATEMENT**

Efficiencies for 2014/15 are incorporated within the estimated forecast outturn.



## 9. APPENDICES


- **Strategic Performance and Corporate Revenue and Capital Monitor Q2 2014/15 (Month 6).**
  - Appendix 1 - lists budget/target adjustments (including virements) for the General Fund and capital budget movements
  - Appendix 2 - provides the budget outturn forecast by Directorate and explanations of any major variances.
  - Appendix 3 - provides the budget outturn forecast and explanations of major variances for the HRA.
  - Appendix 4.1 – provides details of the capital programme and explanations of any major variances
  - Appendix 4.2 - sets out the detail of a capital estimate recommended for approval
  - Appendix 5 – provides the six month Strategic Plan monitoring
  - Appendix 6 – provides a summary of the Strategic Measures
- 

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

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

**No Background papers were used in the preparation of this report.**

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<b>Cabinet</b> 7 <sup>th</sup> January 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Corporate Director Resources	<b>Classification:</b> Unrestricted
<b>Strategic Performance and Corporate Revenue and Capital Monitor  Q2 2014/15 (Month 6)</b>	

<b>Lead Member</b>	Cabinet Member for Resources. Cllr Alibor Choudhury
<b>Originating Officer(s)</b>	Kevin Miles, Chief Accountant. Louise Russell, Service Head, Corporate Strategy and Equality
<b>Wards affected</b>	All
<b>Community Plan Theme</b>	All
<b>Key Decision?</b>	No

### Executive Summary

This monitoring report details the financial outturn position of the Council at the end of Quarter 2 compared to budget, and service performance against targets. This includes the projected year-end position for the:

- General Fund Revenue, Housing Revenue Account and Capital Programme; and
- An overview of quarter 2 performance for the Strategic Plan and all of the reportable Strategic Measures.

### Recommendations:

The Mayor in Cabinet is recommended to:

- Note the Council's financial performance compared to budget for 2014/15 as detailed in Sections 3 to 6 and Appendices 1-4.1 of this report.
- Review and note the 2014/15 quarter 2 performance for the Strategic Plan and the reportable Strategic Measures in Appendices 5 & 6.
- Agree a capital estimate of £275,000 for works at White Horse 1 O'Clock Club, as set out in Appendix 4.2.

## 1. REASONS FOR THE DECISIONS

- 1.1. Good financial practice requires that regular reports be submitted to Council/Committee setting out the financial position of the Council against budget, and its service performance against targets.

- 1.2. The regular reporting of the Strategic Performance and Corporate Revenue and Capital Budget Monitoring should assist in ensuring that Members are able to scrutinise officer decisions.

## **2. ALTERNATIVE OPTIONS**

- 2.1. The Council reports its annual outturn position against budget for both revenue and capital net spend. It also reports its strategic performance.
- 2.2. Significant variations, trends and corrective action are reported in the body and appendices of the report. No alternative action is considered necessary beyond that included below and this report is produced to ensure that Members are kept informed about decisions made under the delegated authority.

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

- 3.1 This monitoring report details the financial position of the Council at the end of September 2014 (Month 6) compared to budget. The report includes details of;
  - General Fund Revenue and Housing Revenue Account;
  - Capital Programme;
  - Performance for strategic measures; and
  - Progress against Strategic Plan activities.

### **3.2 General Fund**

As at the end of September 2014, the net projected General fund outturn position is £296.57m. This represents a £2.64m overspend, less than 1%, on the approved budget of £293.93M.

Resources and Education, Social Care & Wellbeing (ESCW) are currently projecting overspend positions of £1.6m and £1.9m respectively, whereas Law, Probity and Governance (LPG) is showing a small underspend (£50k). There is also an underspend of £800k in corporate costs and central income. Other directorates are forecasting a breakeven position. Details of the variances are included below and in 'Appendix 2'.

### **3.3 HRA**

The HRA is projecting an underspend position of £0.852m 2014/15. This is less than 1.0% of the total budgeted income of £90.6m.

### 3.4 Capital Programme

Directorates have spent 23% of their capital budgets for the year (£44.9m against budgets of £197.7m). Further information is provided in section 6 of the report and Appendix 4.1.

Appendix 4.2 includes a recommendation for the adoption of a capital estimate in order not to delay matters before the next main ESCW programme report to Cabinet.

3.5 More detailed financial information is contained in the following report appendices:

- **Appendix 1** - lists Revenue and Capital budget / target adjustments (including virements).
- **Appendix 2** - provides the General Fund budget outturn forecast by Directorate and explanations of any major variances.
- **Appendix 3** – provides the budget outturn forecast for the HRA
- **Appendix 4.1** – provides the projected Capital Monitoring outturn position
- **Appendix 4.2** – sets out the detail of a capital estimate recommended for approval
- **Appendix 5** – provides the six month Strategic Plan monitoring
- **Appendix 6** – provides a summary of the Strategic Measures

#### 4. FINANCE OVERVIEW

4.1. The following table summarises the current expected outturn position for the General Fund.

<b>SUMMARY</b>	<b>Latest Budget £'000</b>	<b>Budget to Date £'000</b>	<b>Actual to Date £'000</b>	<b>Variance to Date £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variance £'000</b>
Law, Probity and Governance	9,291	4,646	5,128	482	9,241	(50)
Communities, Localities and Culture	79,481	36,673	31,895	(4,778)	79,481	0
Development and Renewal	15,914	7,831	10,773	2,942	15,914	0
Education, Social Care and Wellbeing	219,477	107,073	95,993	(11,080)	221,368	1,891
Resources	6,981	3,490	(6,477)	(9,967)	8,581	1,600
Corporate Costs / Capital Financing	(37,211)	(18,505)	7,161	25,666	(38,011)	(800)
<b>Total</b>	<b>293,933</b>	<b>141,208</b>	<b>144,473</b>	<b>3,265</b>	<b>296,574</b>	<b>2,641</b>

4.2 Year-to-date variances are explained in the detailed budget analysis in Appendix 2. A summary position for each service directorate is set out below.

4.3 **Law Probity and Governance** **£50k Underspend**

The LP&G directorate is showing a small underspend as a result of vacancies in the Corporate Management structure.

4.4 **Communities, Localities & Culture** **Nil**

A breakeven position is forecasted for this financial year

4.5 **Development and Renewal** **Nil**

The D&R directorate is forecasting a nil outturn for the financial year

#### **4.6 Education, Social Care and Wellbeing**

**£1.9m Overspend**

The extent of the financial pressures being experienced, principally by Adults Social Care packages is such that there are insufficient grants and reserves to cover the whole forecast amount. Therefore, an unavoidable overspend which was reported for CMBM05 has had to be included in the return to Corporate Finance for CMBM06, this is consistent with discussions which took place at the last Financial Recovery Group on 27th October 2014.

There remain risks affecting the budget position, some of which may improve the position; others may make the position worse.

Pressures experienced within Adults Social Care at the mid-point in the year are significant, particularly within Learning Disability, Physical Disability and Mental Health care packages. After the use of reserves, available grants and in year savings assumptions the current pressures in the directorate can be contained to an overspend of £1.9m, this has decreased from the quarter 1 position of £2.1m. Initial work in CMBM07 indicates that this downward trend may continue in quarter 3. This is partly as a result of extensive work to refine and revisit the make-up of care packages through challenge panel processes implemented by the Adults Social Care Financial Recovery Group.

The Financial Recovery Group has been established to work through the policy, process, systems, service and financial issues associated with restoring management and financial control for Adults Social Care. The work that this group oversees will be vital to restoring stability and visibility to the financial issues for ASC packages.

The Schools Budget is reporting an improved position, again, with forecast unallocated DSG at year-end now looking to be £4.696m.

#### **4.7 Resources**

**£1.6m Overspend**

The Resources directorate is forecasting an overspend of £1.60m.

The Council has a statutory duty to provide affordable accommodation for homeless families. Achieving that affordability expectation sees the majority of these households being awarded housing benefit (Non HRA Rent Rebates). However, the Government's subsidy on such payments relies on a formula that caps subsidy to 90% of the January 2011 Local Housing Allowance level. The fees the Council finds itself paying to landlords for the supply of temporary accommodation are significantly above this subsidy cap. The Council is facing

pressure from increasing numbers of families, attempting to procure accommodation locally and continuous increases in private sector rents.

In 2014/15 the position has been reviewed with the Housing Options Service, and a cost pressure of £2.6m has been identified. The 2014/15 budget contained £1m to allow for growth in this area, and funding for an extra £1.6m needs to be agreed to avoid an overspend. It is likely that private sector rent within the borough will continue to increase and further growth in excess of £1m will be required in 2015/16 onwards. Provision for this is being incorporated into the 2015/16 budget proposals

#### **4.8 Corporate Costs & Capital Financing 800k Additional Income**

Investment balances have been higher than expected due to Government grants being paid earlier in the year; capital expenditure slippage until later in the year; and a slightly higher interest return on longer term investments.

Spend to date variance is due to items such as depreciation and minimum revenue provision which are processed at year-end.

#### **5. Housing Revenue Account £0.85m Underspend**

The overall projected HRA underspend is the net result of a number of variances, the main ones being that rental income is forecast to be lower than budgeted; this is due to the high number of Right to Buy sales that are taking place – in the first six months of the year there have been 101 Right to Buy sales, compared to 14 sales during the same period last year. Energy costs are still forecast to be lower than budgeted, although this is a volatile budget and costs may increase if there is a period of prolonged cold weather. In addition, the 2014/15 budget includes £1.3m in respect of additional costs due to an increase in employer pension contributions and current forecasts are that the actual increase in costs will be lower than budgeted.

#### **6. CAPITAL**

6.1 The capital budget now totals £197.7m, decreased from the £208.9m reported at the end of June 2014. It is usual for the annual budget to be re-profiled into future years as initial grant allocations tend to be included in the current year budget and then re-profiled across years as further information on new projects becomes available.

6.2 Details of all the changes to the capital budget are set out in Appendix 1.



6.3 Total capital expenditure to the end of Quarter 2 represented 23% of the revised capital programme budget for 2014/15 as follows:

	Annual Budget as at 30-Sep-14	Spent to 30-Sep-14	% Budget Spent
	£m	£m	%
<b>TOTALS BY DIRECTORATE:</b>			
Education, Social Care and Wellbeing	22.329	7.795	35%
Communities, Localities and Culture	10.896	2.207	20%
Development and Renewal	20.217	7.945	39%
Building Schools for the Future (BSF)	6.073	5.574	92%
Housing Revenue Account (HRA)	126.214	21.423	17%
Corporate GF provision for schemes under development	12.000	0.000	0%
<b>GRAND TOTAL</b>	<b>197.729</b>	<b>44.944</b>	<b>23%</b>

This compares with 19% at the same stage last year.

Although this is a seemingly low percentage of budget spent for halfway through the year, spend tends to be heavily profiled to the end of a year. At the end of November the capital spend was approximately £61m.

The main schemes which contribute to this figure are:

- Corporate GF provision (0% of £12.0m annual budget spent)**

This is set aside for the purchase of the new civic centre site which will be a one-off payment. Current forecasts indicate that this will take place towards the end of this financial year.
- Housing Capital Programme (2% of £20.7m annual budget spent)**

Non-Decent Homes schemes will not commence until 3rd quarter due to current focus on Decent Homes programme. 2014/15 budget projected to underspend (slip) by £10.7m so variance against profiled budget is in line with annual projection.
- New Affordable Housing Schemes – Ashington Estate East and Extensions (1% of £11.3m annual budget spent)**

Due to delays in finalising the dwelling mix for the Ashington Estate East project and the number of units to be provided, it is now unlikely that the tendering and planning processes will be undertaken in order for works to start on site during 2014-15. The Extensions scheme is a two year programme with a grant deadline that all completions must take place by March 2016. As such, the full budget was included within the 2014-15 financial year. Resources are however flexible between the two financial years. For both of these schemes the budget profile will be amended as part of the 2015-16 budget process to reflect actual progress.

- **Fuel Poverty and Insulation Works on HRA Properties (0% of £3.4m annual budget spent)**

Delays have arisen on this project due to changes in the Government's Energy Companies Obligations (ECO) scheme which resulted in the Council's partner (British Gas) withdrawing from the proposed project. The Council has however, secured alternative ECO funding from EDF, with formal contracts being entered into on 20 November

- **Decent Homes Backlog (25% of £73.6m annual budget spent)**

Accruals and fees which will be claimed from GLA are posted as part of year end procedures, resulting in a skew towards Q4 spend

6.4 Projected capital expenditure for the year compared to budget is as follows:

	<b>Annual Budget as at 30-Sep-14</b>	<b>Projection 31-Mar-15</b>	<b>Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>TOTALS BY DIRECTORATE:</b>			
Education, Social Care and Wellbeing	22.329	22.165	-0.164
Communities, Localities and Culture	10.896	10.896	0.000
Development and Renewal	20.217	19.089	-1.128
Building Schools for the Future (BSF)	6.073	6.073	0.000
Housing Revenue Account (HRA)	126.214	115.546	-10.668
Corporate GF provision for schemes under development	12.000	12.000	0.000
<b>GRAND TOTAL</b>	<b>197.729</b>	<b>185.769</b>	<b>-11.960</b>

Programme slippage of £11.9m is currently being projected. The projection does not reflect an underspend but is due to timing differences between years. Any amount of slippage will be spent in future years. The main reasons for the variance are as follows:

- **Housing Capital programme (£10.7m)**

This budget is managed by Tower Hamlets Homes and covers works outside of the on-going Decent Homes programme such as heating, lifts and door entry systems, roofing, windows etc. with investment need assessed by stock condition surveys. Due to the Authority focusing on the Decent Homes programme, the non Decent Homes HRA capital schemes will not commence until Q3 of 2014/15, and therefore it is highly likely that this budget will not fully spend in 2014/15. In the event of an underspend, resources will be carried forward to 2015/16.

6.5 The total approved budget, taking into account the whole life of all capital schemes, is currently £911.7m against which spend of £911.7m is forecast resulting in a total nil variance.

6.6 Capital receipts received in 2014/15 from the sale of Housing and General Fund assets as at 30<sup>th</sup> September 2014 are as follows:

<b>Capital Receipts</b>		
	£m	£m
<b>Sale of Housing assets</b>		
Receipts from Right to Buy (100 properties)	10.533	
less pooled amount paid to DCLG	-0.792	9.741
<b>Sale of General Fund assets</b>		
Overage Payments (Wapping Lane)	0.518	0.518
<b>Total</b>		<b>10.260</b>

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

6.7 Approval is sought for an ESCW capital scheme for works to the White Horse 1 o'clock club. Further details are set out in Appendix 4.2

## **7. STRATEGIC PLAN 2014/15**

7.1 The council's performance management and accountability framework requires CMT and members to consider our progress against Strategic Plan activities every 6 months. This section provides a monitoring update for the first 6 months of the 2014/15 Plan.

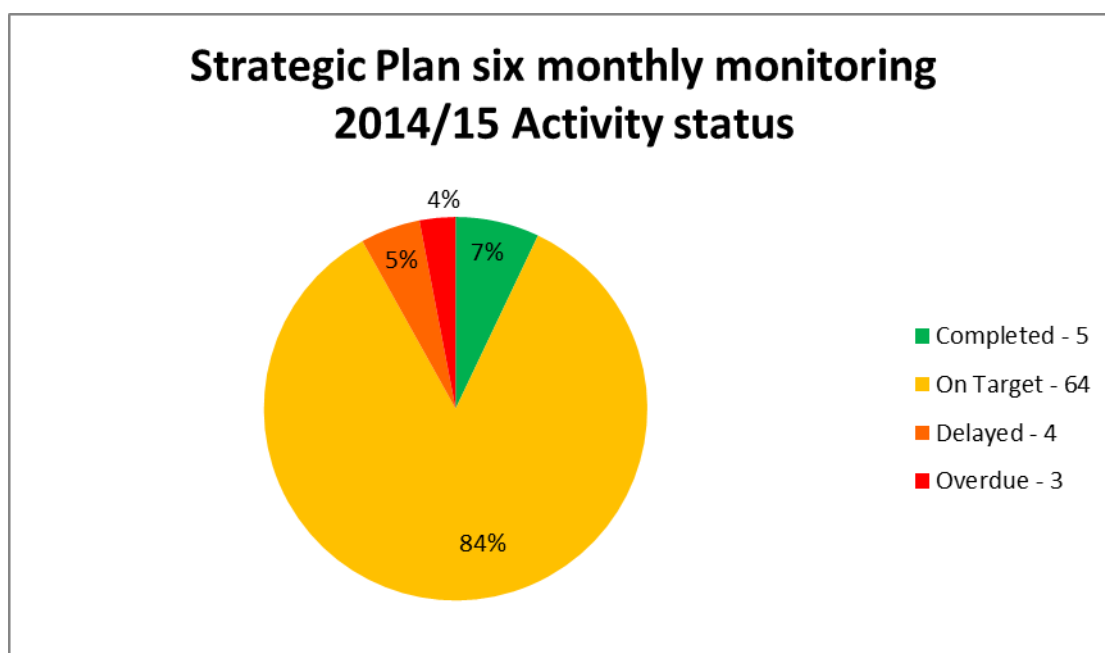
7.2 All activities within the Strategic Plan have been monitored and are included in **Appendix 5**. The following criteria are used to report on the status of activities:

- Completed (Green) - where an activity has been completed.
- On Target (Gold/Amber) - where an activity is not due for completion yet, and managers consider that progress is on track to meet the deadline. The percentage completed is given to provide an indication of the work already carried out.
- Delayed (Orange) - where an activity has missed its deadline or is assessed as likely to miss its deadline, but is still anticipated to complete within the financial year.

- Overdue (Red) - where an activity has been identified as likely to not be completed this financial year. Managers have provided comments for all overdue activities to explain why the deadline was missed; what is being done to rectify the situation; and when the activity will be completed.

7.3 There are 76 activities in the Strategic Plan. 91% of these activities are either complete or on target to complete on time, meaning the Council is well on track to delivering our strategic objectives within this financial year.

7.4 In total 5 (7%) of activities are completed, 64 (84%) are on target with 4 (5%) delayed and 3 overdue (4%).



7.5 Overall performance in delivering against the Strategic Plan is strong, with several activities complete, some earlier than anticipated:

7.6 **Increase household waste sent for reuse, recycling and composting** This activity, including developing a media awareness campaign, determining future demand profiles, and evaluating waste generation for estate-based communities has been completed ahead of the target date of March 2015.

7.7 **Embed a Child Rights Approach in all of our commissioning for 2014/15 –** This activity, including ensuring key partners sign up to the Mayor’s Charter of Child Rights, and the associated commissioning framework, training and procurement were completed before the target date of February 2015.

- 7.8 **Implement the Welfare Reform Temporary Accommodation Support Fund –** This activity completed by the October deadline and the fund is likely to continue to March 2015.
- 7.9 **Deliver free school meals for all primary pupils in the Borough through supplementing the government's Universal Infant Free School Meals Programme –** This activity is complete and each pupil based in Years Reception to Year 2 is now receiving a hot free school meal. This meets or exceeds the Government's nutritional and food based guidelines. In addition to the Government's scheme, all pupils in Years 3-6 are also receiving free school meals if they are not already entitled under the statutory scheme.
- 7.10 **Coordinate and support the implementation of the recommendations arising from the Tower Hamlets Fairness Commission -** This activity is complete, with a progress update being presented to Cabinet in November.
- 7.11 4 activities (5%) have been flagged as being delayed (Orange):
- 7.12 **Raise attainment and narrow the gap between the lowest 20% and the median of all children at the end of the Early Years Foundation Stage (EYFS) –** Schools will now receive three visits over the course of the year rather than the traditional annual visit. Assessment training is ongoing – this includes NQTs and experienced co-ordinators in schools. However, rollout of the mathematics programme has been delayed due to issues with the recruitment of a teacher to work with both schools and MPVIs.
- 7.13 **Increase the number of children achieving 5 A\* to C grades including English and maths grades at GCSE -** Provisional 2014 GCSE results were released to schools in late August 2014. There have been a number of significant changes to exams this year which the DfE warned could impact on this year's results. The provisional results show that the percentage of students achieving 5+ A\*-C GCSEs (including English and Mathematics) is 59.5% - a drop of 5.2% points on last year's figure of 64.7% (although remaining 25 percentage points above 2005/06 levels). Tower Hamlets' results are still likely to be above the national average. The Council's role is to broker support between schools and strengthen partnerships. There has been some slippage with milestones but remedial actions are in place.
- 7.14 **Develop and implement a Women and Health employment programme focussing on the priority of Maternity and Early Years –** The programme has been developed and first cohort is ready to be recruited. However, this is on hold pending further discussions.

- 7.15 **Provide proportionate support to vulnerable children and families** – implementation of the revised procedures to ensure that care proceedings take 26 weeks on average have been delayed, as has the use of Signs of Safety risk analysis tools across agencies.
- 7.16 3 activities have been flagged up as Overdue (Red) i.e. where an activity has been identified as likely to not be completed this financial year.
- 7.17 **Deliver a Multi-faith Burial Ground** – Our external partner has been unable to secure planning consent, and so an alternative site has been identified. However this will result in there being a year delay from the original timescale.
- 7.18 **Make better use of our buildings and other public assets** – Delays in implementing the Corporate Landlord Model have had a consequent impact upon other milestones within the activity. This includes an impact on the commencement of work on the Civic Centre, due to the purchase of the site from NHS Barts being yet to complete. Works on site are now estimated to commence in December 2016.
- 7.19 **Work with people with drug and alcohol dependencies to break the cycle of substance misuse** – The milestone relating to Completing the Drug & Alcohol Service re-provisioning. The specifications for tender have been completed. However, this milestone has been delayed and budget is yet to be agreed. This milestone is unlikely to be completed before year end.

## 8. **STRATEGIC PERFORMANCE MEASURES**

- 8.1 The strategic measures enable the Council to monitor progress against its priorities outlined in the Strategic Plan. The strategic measures reflect the Council's continued commitment to set itself stretching targets. They are reviewed on an annual basis as part of the refresh of the Strategic Plan to ensure that it remains fit for purpose. Where necessary, there will also be in-year reviews of the measures.
- 8.2 **Appendix 6** illustrates the latest performance against our strategic measures. Performance against the current stretching target is measured as either 'Red', 'Amber' or 'Green' (RAG). Should performance fall below standard target – indicated as the dotted red line - it is marked as 'Red'. Should it be at or better than the standard target, but worse than the stretched target – indicated as the solid green line - it is 'Amber'. Where performance is at or better than the stretched target, it is 'Green'. Performance is also measured against the equivalent quarter for the previous year, as a 'direction of travel'. Where performance is deteriorating compared to the same time last year, it is indicated as a downward arrow ↓, if there is no change (or less than 5% change, or no

statistically significant change for survey measures) it is neutral ⇔, and where performance has improved compared to the previous year, it is indicated as an upward arrow ↑.

### **2013/14 Final Outturn Reporting Update**

8.3 Since the year end performance reporting was undertaken, final outturns for the following outstanding performance measures are now available, and are included in Appendix 6:

#### ***Annual Resident Survey Measures***

There are nine measures taken from the Annual Residents Survey. The 2013/14 fieldwork took place later than usual (June to July 2014).

Seven of the nine outturns are similar to the previous year (i.e. any difference in score (positive or negative) was not statistically significant) with performance at least better than the standard target. This includes for:

- Percentage of residents agreeing that the Council is doing a good job
- Percentage of residents agreeing that the Council involves residents when making decisions
- Percentage of residents who rate parks and open spaces as good, very good, or excellent
- Overall / general satisfaction with the neighbourhood
- Local concern about ASB and Crime: vandalism, graffiti and criminal damage
- Satisfaction with the Police and Community Safety Partnership
- Percentage of people who believe people from different backgrounds get along well together

Local concern about drunk or rowdy behaviour in public spaces was higher than last year – this result may have been impacted on by the change in fieldwork dates. In addition, concern about drug use and drug dealing has increased – further detail about Council and Police activity to address this is set out in the report.

***Percentage of overall council housing stock that is non-decent*** – by the end of the 2013/14 financial year, 48.42 percent of the overall council housing stock was non-decent, compared to 60 percent in the previous financial year. The standard target was met.

There is one measure where the 2013/14 outturns are still unavailable.

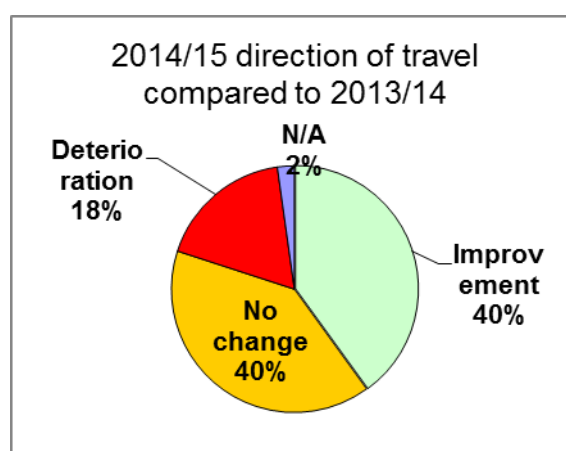
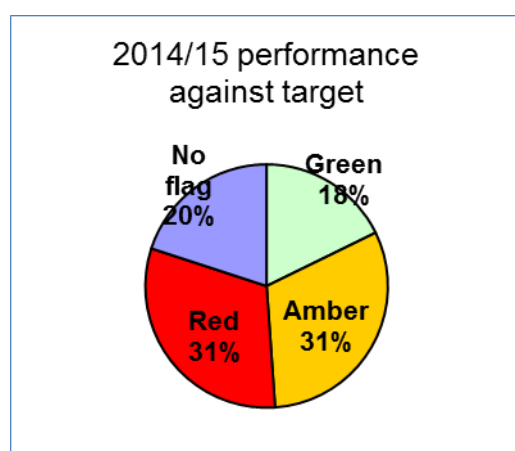
***Rate of violence with injury crimes – DV and non-DV*** – due to recent changes within the Metropolitan Police, data relating to violence with injury measures is not currently available.

## Strategic Performance Measures – Quarter 2 (July-September 2014)

8.4 The number of strategic measures available for reporting fluctuates between periods due to the different reporting frequencies of the measures. Of the 56 measures in the Strategic Set, including subset of measures, 45 are reportable this quarter (including previously outstanding 2013/14 final outturns and Quarter 1 data).

8.5 For new or significantly changed measures, it is not usually possible to measure direction of travel (because previous quarters are not available); as a result, the proportions allocated to each direction arrow are based on a total of 44. For performance against target (RAG status), proportions are based on 36 measures.

- 8 measures (18%) are meeting or exceeding their stretched target (Green), with four of these an improvement from last year (↑) and four remaining unchanged (↔);
- 14 (31%) are above the standard target but below the stretched target (Amber), with four of these improving (↑), eight remaining unchanged (↔), and two deteriorating (↓) compared to last year's performance;
- 14 (31%) are below the standard target (Red), with four improving from last year (↑), no change for three measures (↔), six deteriorating (↓), with one a new measure with no measurable direction of travel;
- Overall, one indicator does not have comparable data for this time last year and therefore no direction of travel information can be produced. Nine indicators do not have targets and so no RAG can be produced – these mainly relate to Community Safety measures where police targets have yet to be set.



8.6 There are several strategic performance measures which report on a quarterly basis but Q2 data is currently not available due to a time lag in reporting. Q1 data has been provided in the report and appendix. These are:

- Number of Smoking Quitters; and



- Percentage of household waste sent for reuse, recycling and composting.

## **Performance Summary**

The following sections detail our performance under two key headings:

- High performing and areas of improvement
- High risk areas

### **High Performing Areas – Quarter 2**

8.7 Measures that exceeded their stretched target or have improved compared to quarter 2 last year include:

***Percentage of LP07 or above Local Authority staff that are from an ethnic minority*** performance is 25.14 percent. Although the stretch target of 30 percent has been missed, the standard target has been exceeded. There has been a significant increase (3.33 percentage points) in performance since September 2013/14.

***Percentage of council tax collected*** performance is 47.8 percent; the stretch target has been exceeded by 0.59 percentage points.

***Environmental cleanliness – graffiti*** 2.9 percent of the land surveyed was assessed as having levels of graffiti which fell below an acceptable level. The stretch target of 4 percent was exceeded and performance is also an improvement on this time last year, when 7.3 percent was assessed as below acceptable.

***Environmental cleanliness – fly-posting*** 0.4 percent of land surveyed was assessed as having levels of fly-posting which fell below an acceptable level. The stretch target of 1 percent was exceeded. Performance improved by 0.6 percentage points compared to this time last year.

***Percentage of overall council stock that is non-decent*** the 2013/14 year-end target of 48.42 percent was achieved. Performance improved by almost 12 percentage points compared to the 2012/13 financial year.

***Early Years Foundation Profile – achievement of a good level of development*** 55 percent of children achieved the standard ‘good level of development’ compared to 49.9 percent the previous year. The target of 47.5 percent was exceeded.

**Key Stage 2 pupil attainment in Reading, Writing and Maths** – 81 percent of pupils achieved the standard compared to 78 percent in the previous year. The target of 79 percent was exceeded.

**Overall employment rate – gap** the gap between the borough’s employment rate and the London average has reduced to 4.5 percent. The target of 6.3 percent has been exceeded. In quarter 2 last year, the gap was 6.9 percent, equating to a 2.4 percentage improvement.

**JSA claimant – rate** although the stretch target of 0.6 percent has been missed, the gap between the borough’s JSA claimant rate and the borough average has reduced to 0.7 percent, the standard target of 0.9 percent has been exceeded. Compared to quarter 2 last year, there has been a reduction in the gap of 0.6 percentage points.

**Proportion of children in poverty** this annual measure indicates that 39 percent of children in the borough are ‘in poverty’. A target for this measure was not set, however compared to last year, there has been a reduction in the percentage by 7.1 percentage points.

**Self-directed support** 62.4 percent of people using social care receive self-directed support or a direct payment. The standard target was exceeded, however the stretch target of 70 percent was missed. Compared to this time last year, performance has improved by 5.3 percentage points.

**MOPAC 7 crimes: Number of Robbery incidents, number of thefts of a Motor Vehicle incidents, number of thefts from a Motor Vehicle incidents; number of Theft from the Person incidents**

Targets have not yet been set for these measures, however compared to this time last year; there has been a reduction in the number of crimes for these measures as follows:

- Number of Robbery Incidents – 85 fewer
- Number of Burglary Incidents – 67 fewer
- Number of Theft from a Motor Vehicle incidents – 130 fewer
- Number of Theft from the Person incidents – 236 fewer

**Total Notifiable Offences (TNO)**

Targets have not yet been set for this measure. There were 11,197 TNOs between April-September, compared to 12,066 this time last year – equating to 869 fewer crimes.

**High Risk Areas – Quarter 2**

- 8.8 As part of the monitoring of our performance each quarter, analysis is undertaken to identify those measures at risk of not achieving their annual targets. These measures are set out below. Performance Review Group will consider each of these further (alongside all off-track measures) and whether additional remedial action is required.
- 8.9 **Percentage of LP07 or above Local Authority staff who have a disability** The standard target of 6.34 percent has been missed, and there has been a drop of 0.32 percentage points in performance compared to this time last year (September 2013). Although this figure remains below target, there has been a steady increase since April 12/13, where performance was at 2.17%. The number of people in this category (LPO7+) is relatively small, thus low numbers of people either leaving or joining can have a significant impact on the percentage. An exercise will be undertaken during quarter 3 to increase the accuracy of this data, which should have a positive impact on the figures.
- 8.10 **Number of working days / shifts lost to sickness absence per employee** The stretch target of 6.1 days has been missed and there has been a deterioration in performance since this time last year. There are a number of actions currently being taken to address the rise in sickness absence. People Board (Operations) regularly receives reports on sickness and is looking into service areas where absence is high with the aim of reducing the levels in those areas. DMTs across the Council are also being provided with additional information to that which they already regularly receive, looking into specific cases or areas with high absence, so that these can be addressed.
- 8.11 **Level of street and environmental cleanliness (litter)** Litter is below the standard target of 1.9 percent and has deteriorated by 0.8 percentage points. This has been affected by loss of funding from the Mayor's accelerated delivery programme. The Council is working together with Veolia to improve the results and reduce the level of litter in the borough. There will be increased monitoring by the Streetcare Officers to support Veolia in identifying zones that are failing to meet the required targets. Performance for litter is expected to improve by the next tranche survey, which will be completed in March 2015.
- 8.12 **Level of street and environmental cleanliness (detritus)** Detritus is below the standard target of 2.4 percent and has deteriorated by 1.7 percentage points compared to this time last year. This has been affected by the factors affecting the litter measure and the Council has been working with Veolia on improving all the overall cleansing standards. Performance for detritus is expected to improve further by next tranche survey, which will be completed in March 2015.
- 8.13 **Achievement of 5 or more A\*-C grades at GCSE or equivalent including English and Maths** The year end outturn of 58 percent is below the standard

target of 64.7 percent and 6.7 percentage points lower than last year's outturn. Changes to the methodology at KS4 have led to widespread drops in performance this year. Nationally, performance fell to 52.6% meaning that Tower Hamlets remains well above the national average but remains slightly below the London average of 60.6%. A small improvement in performance is expected when the findings of the results checking exercise has been completed and the final data is published by the DfE.

- 8.14 **Smoking quitters** The outturn of 303 people per 100,000 population (aged 16+) is below the standard target of 350 and is 47 people per 100,000 population fewer than this time last year. Since the beginning of the financial year, 661 residents have attended NHS Stop Smoking Services and achieved the four-week quit target. 86% of target quits had been achieved at the end of Q2 due, in the main, to a low quit rate within primary care predominately caused by insufficient prescribing of smoking cessation treatments. A recovery plan has been implemented within primary care since October. This recovery plan has included briefings for all clinical staff on best practice prescribing; additional staff training for those delivering and promoting the service; and further promotion of the stop smoking services. Performance is also expected to increase in Quarters 3 & 4 due to national and local campaigns.

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

- 9.1 Under Financial Regulations it is the responsibility of senior managers to spend within budgets and, where necessary, management action will need to be taken over the remainder of the financial year to avoid overspend.
- 9.2 Any overspend incurred during 2014/15, will risk the financial position of the Council and would increase the savings targets within the MTFP, with a potential impact on services.
- 9.3 The current forecast overspend in ESCW is being reviewed by the Financial Recovery Group and the overall position will be reported through ongoing monitoring. Further work will be done to validate the extent of the cost pressures, and in the short term, the overspend can be contained with corporate contingencies. Any cost pressures that are replicated in future years will be considered as part of the budget and MTFP process.

## **10. LEGAL SERVICES COMMENTS**

- 10.1 The report provides performance information, including by reference to key performance indicators and the budget. It is consistent with good administration

for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

- 10.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Monitoring of performance information is an important way in which that obligation can be fulfilled.
- 10.3 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council’s chief finance officer has established financial procedures to ensure the Council’s proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Members to receive information about the revenue and capital budgets as set out in the report.
- 10.4 A capital estimate is sought in the sum of £275,000 for works at Whitehorse 1 O’Clock Club. The Financial Regulations set a threshold of £250,000, above which Executive approval is required for a capital estimate. The Financial Procedures supplement this requirement. In accordance with Financial Procedure FP 3.3, senior managers are required to proceed with projects only when there is a capital estimate adopted and adequate capital resources have been identified. Where the estimate is over £250,000 the approval of the adoption of that capital estimate must be sought from the Executive.
- 10.5 The proposed works are to enable delivery of the Council’s functions in relation to early years’ provision under the Childcare Act 2006 and from that perspective appear capable of being carried out within the Council’s statutory functions. When procuring the works, regard must be had to the Council’s duty as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Procurement of the works must be carried out in accordance with the Council’s procurement procedures, which should support delivery of best value.
- 10.6 When considering its performance and any procurement, 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 (the public sector equality duty). Relevant information is set out in section 8 of the report and officers must consider the need for equality analysis when carrying out any action in discharge of the Council’s functions.

## **11. ONE TOWER HAMLETS CONSIDERATIONS**

The Council's Strategic Plan and Strategic Indicators are focused upon meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets. In particular, Strategic priorities include the reduction of inequalities and the fostering of strong community cohesion and are measured by a variety of strategic indicators.

The scheme outlined in Appendix 4.2 (The White Horse 1 O'Clock Club) meets the reduction of inequality and the community cohesion requirements of the One Tower Hamlets theme.

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

An element of the monitoring report deals with environmental milestones within the Safe and Cohesive agenda.

## **13. RISK MANAGEMENT IMPLICATIONS**

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

There is a risk to the integrity of the authority's finances if an imbalance occurs between resources and needs. This is mitigated by regular monitoring and, where appropriate, corrective action. This report provides a corporate overview to supplement more frequent monitoring that takes place at detailed level.

The explanations provided by the Directorates for the budget variances also contain analyses of risk factors.

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

The Strategic Indicator set contain a number of crime and disorder items under the Safe & Cohesive theme, however there are no specific crime and disorder reduction implications.

## **15. EFFICIENCY STATEMENT**

Efficiencies for 2014/15 are incorporated within the estimated forecast outturn.

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

### **Linked Reports**

None

### **Appendices**

- Appendix 1 - lists budget/target adjustments (including virements) for the General Fund and capital budget movements
- Appendix 2 - provides the budget outturn forecast by Directorate and explanations of any major variances.
- Appendix 3 - provides the budget outturn forecast and explanations of major variances for the HRA.
- Appendix 4.1 – provides details of the capital programme and explanations of any major variances
- Appendix 4.2 - sets out the detail of a capital estimate recommended for approval
- Appendix 5 – provides the six month Strategic Plan monitoring
- Appendix 6 – provides a summary of the Strategic Measures

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

None

### **Originating Officers and Contact Details**

<b>Name</b>	<b>Title</b>	<b>Contact for information</b>
Kevin Miles	Chief Accountant ext. 6791	Brian Snary - Interim Financial Accountant ext. 5323
Louise Russell	Service Head, Corporate Strategy and Equality ext.3267	Kevin Kewin – Service Manager, Strategy, Policy and Performance ext.4075





<b>CONTROL BUDGET 2014/15</b> (as at end of Period 6)	<b>Total General Fund</b>	<b>Education, Social Care and Wellbeing</b>	<b>Communities, Localities and Culture</b>	<b>Development and Renewal</b>	<b>Law, Probity and Governance</b>	<b>Resources</b>	<b>Corporate Costs</b>	<b>Central Items</b>
<b>2014/15 Original Budget at Cash Prices</b>	<b>293,933,495</b>	<b>218,270,376</b>	<b>78,069,763</b>	<b>15,035,000</b>	<b>9,471,532</b>	<b>7,535,755</b>	<b>19,755,703</b>	<b>(54,204,634)</b>
Corporate Landlord Model (Vote A58 Technical Resources)	0	(665,959)		665,959				
14/15 Budget re-alignment to reflect impact of previous Council decision (Nov 2012)	0	336,771	106,524	21,000				(464,295)
Budget Realignment - Council Tax Benefit adjustment relating to 2013/14	0					486,000	(41,000)	(445,000)
14/15 Budget re-alignment to reflect impact of previous Council decision (July 2014)	0		100,000					(100,000)
14/15 Budget re-alignment to reflect impact of previous Council decision (June 2014)	0	152,000						(152,000)
Concessionary Fares Growth	0		558,000					(558,000)
Support Services 2014/15	0	1,437,531	647,470	191,849	(179,791)	(2,097,059)		
Employee Budget Transfer to HR Strategy	0	(56,400)				56,400		
Housing Benefit	0					1,000,000		(1,000,000)
	0							
<b>Total Adjustments</b>	<b>0</b>	<b>1,203,943</b>	<b>1,411,994</b>	<b>878,808</b>	<b>(179,791)</b>	<b>(554,659)</b>	<b>(41,000)</b>	<b>(2,719,295)</b>
<b>Revised Current Budget 2014/15</b>	<b>293,933,495</b>	<b>219,474,319</b>	<b>79,481,757</b>	<b>15,913,807</b>	<b>9,291,741</b>	<b>6,981,096</b>	<b>19,714,703</b>	<b>(56,923,929)</b>

# Capital Control Budget 2014/15

	Total Capital Budget	Education, Social Care and Wellbeing	Building Schools For the Future	Law, Probity and Governance / Resources	Communities, Localities and Culture	Corporate	Development and Renewal	Housing Revenue Account
<b>2014/15 Original Budget at Second Budget Council</b>	<b>166.912</b>	<b>28.611</b>	<b>12.791</b>	<b>0.000</b>	<b>10.265</b>	<b>12.000</b>	<b>1.280</b>	<b>101.966</b>
<b>Slippage from 2013/14</b>	<b>65.550</b>	<b>3.195</b>	<b>(6.718)</b>	<b>0.000</b>	<b>0.971</b>	<b>0.000</b>	<b>17.736</b>	<b>50.366</b>
<b>Q1 - Total Adjustments</b>	<b>(23.785)</b>	<b>(0.428)</b>	<b>0.000</b>	<b>0.000</b>	<b>2.619</b>	<b>0.000</b>	<b>0.143</b>	<b>(26.119)</b>
<b>Cabinet Approvals</b>								
CLC - TfL Schemes	0.142				0.142			
ESCW - Learning Disability Hubs	0.064	0.064						
ESCW - Supplement Disabled Facilities Grant (D&R) allocation	0.000	(0.250)					0.250	
ESCW - Basic Need/Expansions	(4.199)	(4.199)						
ESCW - Conditions and Improvement	(1.224)	(1.224)						
ESCW - Primary Capital Programme	0.080	0.080						
ESCW - Mental health services	0.040	0.040						
<b>Budgets Re-profiled*</b>								
CLC - Bancroft Library, Phase 2/2b - Re-profiled to 2015/16	(0.145)				(0.145)			
CLC - Contaminated Land Works - Re-profiled to 2015/16	(0.173)				(0.173)			
CLC - Culture, Banglatown Art Trail & Arches - Re-profiled to 2015/16	(0.250)				(0.250)			
CLC - Highways Improvement Programme, Bartlett Park Masterplan - Re-profiled to 2015/16	(0.050)				(0.050)			
CLC - OPTEMS, Tredegar Road - Re-profiled to 2015/16	(0.200)				(0.200)			
CLC - Section 106 Funded Schemes - Re-profiled to 2015/16	(0.984)				(0.984)			
CLC - TfL Schemes - Re-profiled to 2015/16	(0.050)				(0.050)			
ESCW - Basic Need/Expansions - Re-profiled from 2015/16	0.195	0.195						
ESCW - Basic Need/Expansions, Olga Primary School Expansion - Re-profiled to 2016/17	(3.850)	(3.850)						
<b>Decisions Delegated to Corporate Directors**</b>								
CLC - Contaminated Land Works, Rosebank Gardens	0.010				0.010			
CLC - Public Realm Improvements, Toby Lane & Blackwall Depots	0.095				0.095			
CLC - Public Realm Improvements, Commercial Road - Works	0.250				0.250			
CLC - Public Realm Improvements, Commercial Road - Portacabins	0.044				0.044			
D&R - S106 Schemes, Barley Mow Project	0.152						0.152	
ESCW - Conditions and Improvement, Cubitt Town Junior School - Relocate Demountable & Create New Fire Escape	0.055	0.055						
ESCW - Conditions and Improvement, Cubitt Town Juniors - Structural Works	0.050	0.050						
ESCW - Conditions and Improvement, Hague Primary School - Roofing Works	0.090	0.090						
ESCW - Conditions and Improvement, Tommy Flowers PRU - Roofing Works	0.055	0.055						
ESCW - Conditions and Improvement, Tredegar House - Boiler Replacement	0.055	0.055						
ESCW - Mental Health Services, ICT Suite - Pritchard Street	0.180	0.180						
ESCW - Universal Free School Meals, Globe Primary School - Kitchen Upgrade	0.095	0.095						
ESCW - Universal Free School Meals, Cyril Jackson Primary School - Kitchen Upgrade	0.080	0.080						
<b>Other Approvals/Adjustments</b>								
CLC - Section 106 Funded Schemes, Additional S106 Schemes - Technical Adjustment	(0.057)				(0.057)			
CLC - TfL Schemes - Funding reprioritised	(1.339)				(1.339)			
CLC - TfL Schemes - Finished	(0.003)				(0.003)			
CLC - OPTEMS - Funding reprioritised	(0.249)				(0.249)			
D&R - Section 106 Passported Funding, Various - Crossrail (TfL) Project	0.657						0.657	
ESCW - Basic Need/Expansions - Finished	(0.038)	(0.038)						
ESCW - Basic Need/Expansions, Provision of Bulge Classes - Technical Adjustment	(0.114)	(0.114)						
ESCW - Conditions and Improvement, Non Schools Statutory Requirements - Technical Adjustment	(0.113)	(0.113)						
ESCW - Conditions and Improvement - Finished	(0.152)	(0.152)						
ESCW - Primary Capital Programme - Finished	(0.105)	(0.105)						
ESCW - Mental health services, Mental Health SCP - Finished	(0.030)	(0.030)						
ESCW - Ronald Street Roof Replacement - Finished	(0.014)	(0.014)						
HRA - Decent Homes Backlog - Technical Adjustment	0.001							0.001
<b>Q2 - Total Adjustments</b>	<b>(10.948)</b>	<b>(9.049)</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.958)</b>	<b>0.000</b>	<b>1.059</b>	<b>0.001</b>
<b>Revised Budget</b>	<b>197.729</b>	<b>22.329</b>	<b>6.073</b>	<b>0.000</b>	<b>10.896</b>	<b>12.000</b>	<b>20.217</b>	<b>126.214</b>

\* This involves changes to the timing of spending not the purpose

\*\* For items exceeding £100k and not exceeding £250k, see relevant noting report to cabinet

Corporate Monthly Budget Monitoring	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>CHE Directorate of Law, Probity and Governance</b>									
<b>GEN General Fund Account</b>									
Expenditure	17,480	17,635	8,818	9,420	604	18,265	630	3.57%	
Income	-8,008	-8,344	-4,172	-4,292	-122	-9,024	-680	8.15%	
<b>Net Expenditure</b>	<b>9,472</b>	<b>9,291</b>	<b>4,646</b>	<b>5,128</b>	<b>482</b>	<b>9,241</b>	<b>-50</b>	<b>-0.54%</b>	
<b>Net Expenditure Directorate: CHE</b>	<b>9,472</b>	<b>9,291</b>	<b>4,646</b>	<b>5,128</b>	<b>482</b>	<b>9,241</b>	<b>-50</b>	<b>-0.54%</b>	
<b>COM Communities &amp; Localities</b>									
<b>GEN General Fund Account</b>									
Expenditure	133,293	134,921	58,255	53,754	-4,501	135,136	215	0.16%	
Income	-55,423	-55,440	-21,582	-21,859	-277	-55,655	-215	0.39%	
<b>Net Expenditure</b>	<b>77,870</b>	<b>79,481</b>	<b>36,673</b>	<b>31,895</b>	<b>-4,778</b>	<b>79,481</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure Directorate: COM</b>	<b>77,870</b>	<b>79,481</b>	<b>36,673</b>	<b>31,895</b>	<b>-4,778</b>	<b>79,481</b>	<b>0</b>	<b>0.00%</b>	
<b>COP Corporate Cost and Central Items</b>									
<b>GEN General Fund Account</b>									
Balance Sheet	-54,005	-56,926	-28,362	303	28,665	-56,926	0	0.00%	
Capital Expenditure	7,095	7,095	3,547	1,740	-1,807	7,095	0	0.00%	
Expenditure	14,361	14,320	7,160	6,133	-1,027	14,320	0	0.00%	
Income	-1,700	-1,700	-850	-1,015	-165	-2,500	-800	47.06%	
<b>Net Expenditure</b>	<b>-34,249</b>	<b>-37,211</b>	<b>-18,505</b>	<b>7,161</b>	<b>25,666</b>	<b>-38,011</b>	<b>-800</b>	<b>2.15%</b>	
<b>Net Expenditure Directorate: COP</b>	<b>-34,249</b>	<b>-37,211</b>	<b>-18,505</b>	<b>7,161</b>	<b>25,666</b>	<b>-38,011</b>	<b>-800</b>	<b>2.15%</b>	
<b>DEV Development &amp; Renewal</b>									
<b>GEN General Fund Account</b>									
Expenditure	72,020	72,233	35,991	40,161	4,170	72,926	693	0.96%	
Income	-56,319	-56,319	-28,160	-29,388	-1,228	-57,012	-693	1.23%	
<b>Net Expenditure</b>	<b>15,701</b>	<b>15,914</b>	<b>7,831</b>	<b>10,773</b>	<b>2,942</b>	<b>15,914</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure Directorate: DEV</b>	<b>15,701</b>	<b>15,914</b>	<b>7,831</b>	<b>10,773</b>	<b>2,942</b>	<b>15,914</b>	<b>0</b>	<b>0.00%</b>	
<b>ESW Education, Social Care &amp; Wellbeing</b>									
<b>GEN General Fund Account</b>									
Expenditure	269,097	275,436	130,350	113,198	-17,152	281,610	6,174	2.24%	
Income	-51,493	-55,959	-23,277	-17,205	6,072	-60,242	-4,283	7.65%	
<b>Net Expenditure</b>	<b>217,604</b>	<b>219,477</b>	<b>107,073</b>	<b>95,993</b>	<b>-11,080</b>	<b>221,368</b>	<b>1,891</b>	<b>0.86%</b>	
<b>Net Expenditure Directorate: ESW</b>	<b>217,604</b>	<b>219,477</b>	<b>107,073</b>	<b>95,993</b>	<b>-11,080</b>	<b>221,368</b>	<b>1,891</b>	<b>0.86%</b>	
<b>RES Resource Services</b>									
<b>GEN General Fund Account</b>									
Expenditure	329,438	297,381	148,687	152,224	3,537	300,329	2,948	0.99%	
Income	-321,905	-290,400	-145,197	-158,701	-13,504	-291,748	-1,348	0.46%	
<b>Net Expenditure</b>	<b>7,533</b>	<b>6,981</b>	<b>3,490</b>	<b>-6,477</b>	<b>-9,967</b>	<b>8,581</b>	<b>1,600</b>	<b>22.92%</b>	
<b>Net Expenditure Directorate: RES</b>	<b>7,533</b>	<b>6,981</b>	<b>3,490</b>	<b>-6,477</b>	<b>-9,967</b>	<b>8,581</b>	<b>1,600</b>	<b>22.92%</b>	
<b>Net Expenditure Total</b>	<b>293,933</b>	<b>293,933</b>	<b>141,208</b>	<b>144,473</b>	<b>3,265</b>	<b>296,574</b>	<b>2,641</b>	<b>0.90%</b>	

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Corporate Monthly Budget Monitoring

September 2014 Directorate of Law, Probity and Governance

Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	

Fund Type: GEN General Fund Account

Service Area: C11 Corporate Management

Vote: C80 Corporate Management

Expenditure	2,006	2,317	1,159	1,098	-61	2,167	-150	-6.5%	The underspend is due to the vacancy held with LPG (former Chief Executive post)
Income	0	0	0	0	0	0	0.0%		
<b>Net Expenditure</b>	<b>2,006</b>	<b>2,317</b>	<b>1,159</b>	<b>1,098</b>	<b>-61</b>	<b>2,167</b>	<b>-150</b>	<b>-6.5%</b>	
<b>Net Expenditure</b>	<b>2,006</b>	<b>2,317</b>	<b>1,159</b>	<b>1,098</b>	<b>-61</b>	<b>2,167</b>	<b>-150</b>	<b>-6.5%</b>	

Service Area: C13 Legal Services

Vote: C52 Legal Services

Expenditure	3,790	3,780	1,890	1,849	-41	3,780	0	0.0%
Income	-3,442	-3,777	-1,889	-1,987	-99	-3,777	0	0.0%
<b>Net Expenditure</b>	<b>348</b>	<b>3</b>	<b>1</b>	<b>-138</b>	<b>-140</b>	<b>3</b>	<b>0</b>	<b>0.0%</b>

Vote: C58 Electoral Registration

Expenditure	771	647	324	319	-5	647	0	0.0%
Income	0	0	0	-1	-1	0	0	0.0%
<b>Net Expenditure</b>	<b>771</b>	<b>647</b>	<b>324</b>	<b>318</b>	<b>-6</b>	<b>647</b>	<b>0</b>	<b>0.0%</b>

Vote: C60 Borough Elections

Expenditure	29	129	64	536	471	700	571	442.6%	This expenditure relates to recent election spend and will be funded through earmarked reserves.
Income	0	0	0	0	0	-571	-571	0.0%	
<b>Net Expenditure</b>	<b>29</b>	<b>129</b>	<b>64</b>	<b>536</b>	<b>471</b>	<b>129</b>	<b>0</b>	<b>0.0%</b>	

Vote: C84 Information Governance & Complaints

Expenditure	526	506	253	232	-21	500	-6	-1.2%
Income	-522	-506	-253	-176	76	-506	0	0.0%
<b>Net Expenditure</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>55</b>	<b>-6</b>	<b>-6</b>	<b>0.0%</b>
<b>Net Expenditure</b>	<b>1,152</b>	<b>779</b>	<b>389</b>	<b>772</b>	<b>380</b>	<b>773</b>	<b>-6</b>	<b>-0.8%</b>

Service Area: C18 Communications

Vote: C14 Communications

Expenditure	2,575	2,554	1,277	1,535	258	2,700	146	5.7%	Additional expenditure related to recent Media activity however will be contained within overall LPG budget
Income	-2,499	-2,554	-1,277	-1,274	3	-2,505	49	1.9%	
<b>Net Expenditure</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>261</b>	<b>261</b>	<b>195</b>	<b>195</b>	<b>5.3%</b>	
<b>Net Expenditure</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>261</b>	<b>261</b>	<b>195</b>	<b>195</b>	<b>5.3%</b>	

Service Area: C19 Registrars & Democratic Services

Vote: C56 Registration of Births, Deaths & Marriages

Expenditure	901	1,059	529	632	103	1,219	160	15.1%	Overspend is due to seasonal variance The increase expenditure will be met from Home Office income.
Income	-515	-515	-258	-325	-67	-673	-158	30.7%	
<b>Net Expenditure</b>	<b>386</b>	<b>544</b>	<b>271</b>	<b>307</b>	<b>36</b>	<b>546</b>	<b>2</b>	<b>0.4%</b>	

Vote: C62 Democratic Services

Expenditure	2,789	2,735	1,367	1,308	-59	2,689	-46	-1.7%
Income	-7	-2	-1	-1	0	-2	0	0.0%
<b>Net Expenditure</b>	<b>2,782</b>	<b>2,733</b>	<b>1,366</b>	<b>1,307</b>	<b>-59</b>	<b>2,687</b>	<b>-46</b>	<b>-1.7%</b>

Vote: C78 Democratic Representation

Expenditure	961	849	425	425	0	849	0	0.0%
Income	0	0	0	0	0	0	0	0.0%
<b>Net Expenditure</b>	<b>961</b>	<b>849</b>	<b>425</b>	<b>425</b>	<b>0</b>	<b>849</b>	<b>0</b>	<b>0.0%</b>
<b>Net Expenditure</b>	<b>4,129</b>	<b>4,126</b>	<b>2,062</b>	<b>2,039</b>	<b>-23</b>	<b>4,082</b>	<b>-44</b>	<b>-1.1%</b>

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Corporate Monthly Budget Monitoring		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	Directorate of Law, Probity and Governance	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: C20 Business Support</b>										
<b>Vote: C82 Business Support Unit</b>										
	Expenditure	873	834	417	393	-24	784	-50	-6.0%	Vacant Post of PA to Chief Executive
	Income	-866	-833	-416	-416	0	-833	0	0.0%	
	<b>Net Expenditure</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>-23</b>	<b>-24</b>	<b>-49</b>	<b>-50</b>	<b>-6.0%</b>	
	<b>Net Expenditure</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>-23</b>	<b>-24</b>	<b>-49</b>	<b>-50</b>	<b>-6.0%</b>	
<b>Service Area: C54 Corporate Strategy &amp; Equalities</b>										
<b>Vote: C16 Corporate Strategy and Equalities</b>										
	Expenditure	1,556	1,522	761	690	-71	1,556	34	2.2%	
	Income	0	0	0	-22	-22	0	0	0.0%	
	<b>Net Expenditure</b>	<b>1,556</b>	<b>1,522</b>	<b>761</b>	<b>668</b>	<b>-93</b>	<b>1,556</b>	<b>34</b>	<b>2.2%</b>	
<b>Vote: C21 Healthy Borough</b>										
	Expenditure	0	0	0	0	0	0	0	0.0%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: C54 One Tower Hamlets</b>										
	Expenditure	703	703	352	403	51	674	-29	-4.1%	
	Income	-157	-157	-78	-90	-12	-157	0	0.0%	
	<b>Net Expenditure</b>	<b>546</b>	<b>546</b>	<b>274</b>	<b>313</b>	<b>39</b>	<b>517</b>	<b>-29</b>	<b>-5.3%</b>	
	<b>Net Expenditure</b>	<b>2,102</b>	<b>2,068</b>	<b>1,035</b>	<b>981</b>	<b>-54</b>	<b>2,073</b>	<b>5</b>	<b>0.2%</b>	
<b>Net Expenditure Fund Type: GEN</b>		<b>9,472</b>	<b>9,291</b>	<b>4,646</b>	<b>5,128</b>	<b>482</b>	<b>9,241</b>	<b>-50</b>	<b>-0.5%</b>	
<b>Net Expenditure for Directorate of Law, Probity and Governance</b>		<b>9,472</b>	<b>9,291</b>	<b>4,646</b>	<b>5,128</b>	<b>482</b>	<b>9,241</b>	<b>-50</b>	<b>-0.5%</b>	

Corporate Monthly Budget Monitoring		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	Communities & Localities	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Fund Type: CPK Controlled Parking</b>										
<b>Service Area: CPR Public Realm</b>										
<b>Vote: E24 Parking Control</b>										
	Expenditure	7,808	7,808	3,633	3,380	-253	7,808	0	0.00%	
	Income	-7,808	-7,808	-7,738	-7,697	41	-7,808	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-4,105</b>	<b>-4,317</b>	<b>-212</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-4,105</b>	<b>-4,317</b>	<b>-212</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure Fund Type: CPK</b>		<b>0</b>	<b>0</b>	<b>-4,105</b>	<b>-4,317</b>	<b>-212</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Fund Type: GEN General Fund Account</b>										
<b>Service Area: CAL Cultural Services</b>										
<b>Vote: E40 Divisional Management</b>										
	Expenditure	113	113	56	71	15	113	0	0.00%	
	Income	-113	-113	0	0	0	-113	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>71</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E41 Idea Stores</b>										
	Expenditure	8,429	8,581	4,023	3,998	-25	8,581	0	0.00%	
	Income	-1,330	-1,330	-152	-129	23	-1,330	0	0.00%	
	<b>Net Expenditure</b>	<b>7,099</b>	<b>7,251</b>	<b>3,871</b>	<b>3,869</b>	<b>-2</b>	<b>7,251</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E42 Sports &amp; Physical Activity</b>										
	Expenditure	4,414	4,389	1,590	1,517	-73	4,389	0	0.00%	
	Income	-1,167	-1,077	-13	-66	-53	-1,077	0	0.00%	
	<b>Net Expenditure</b>	<b>3,247</b>	<b>3,312</b>	<b>1,577</b>	<b>1,451</b>	<b>-126</b>	<b>3,312</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E43 Parks &amp; Open Spaces</b>										
	Expenditure	2,812	2,782	1,017	1,100	83	2,782	0	0.00%	
	Income	-576	-576	-188	-224	-36	-576	0	0.00%	
	<b>Net Expenditure</b>	<b>2,236</b>	<b>2,206</b>	<b>829</b>	<b>876</b>	<b>47</b>	<b>2,206</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E44 Arts &amp; Events</b>										
	Expenditure	2,065	2,234	1,025	941	-84	2,234	0	0.00%	
	Income	-991	-933	-742	-829	-87	-933	0	0.00%	
	<b>Net Expenditure</b>	<b>1,074</b>	<b>1,301</b>	<b>283</b>	<b>112</b>	<b>-171</b>	<b>1,301</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E45 Mile End Park</b>										
	Expenditure	703	703	260	342	82	703	0	0.00%	
	Income	-703	-703	-315	-418	-103	-703	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-55</b>	<b>-76</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E47 Lifelong Learning</b>										
	Expenditure	4,550	4,586	1,585	1,494	-91	4,586	0	0.00%	
	Income	-3,335	-3,335	-173	-93	80	-3,335	0	0.00%	
	<b>Net Expenditure</b>	<b>1,215</b>	<b>1,251</b>	<b>1,412</b>	<b>1,401</b>	<b>-11</b>	<b>1,251</b>	<b>0</b>	<b>0.01%</b>	
<b>Vote: E48 Community Languages Services</b>										
	Expenditure	1,082	1,092	546	505	-41	1,092	0	0.00%	
	Income	-306	-306	-320	-351	-31	-306	0	0.00%	
	<b>Net Expenditure</b>	<b>776</b>	<b>786</b>	<b>226</b>	<b>154</b>	<b>-72</b>	<b>786</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>15,647</b>	<b>16,107</b>	<b>8,199</b>	<b>7,858</b>	<b>-341</b>	<b>16,107</b>	<b>0</b>	<b>0.00%</b>	

Corporate Monthly Budget Monitoring

September 2014		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
Communities & Localities		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: CMS CLC Management &amp; Support</b>										
<b>Vote: E01 Management &amp; Support</b>										
	Expenditure	3,248	3,192	1,581	1,606	25	3,248	56	1.75%	
	Income	-3,248	-3,192	-1,277	-1,301	-24	-3,248	-56	1.75%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>304</b>	<b>305</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>304</b>	<b>305</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Service Area: CPR Public Realm</b>										
<b>Vote: E10 Public Realm M &amp; A</b>										
	Expenditure	356	356	178	153	-25	356	0	0.00%	
	Income	-356	-356	-163	0	163	-356	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>153</b>	<b>138</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E12 Transportation &amp; Highways</b>										
	Expenditure	12,143	12,369	4,447	3,088	-1,359	12,528	159	1.29%	Variance to date due to timing of new Highways and Street lighting contracts
	Income	-5,547	-5,694	-438	-629	-191	-5,853	-159	2.79%	
	<b>Net Expenditure</b>	<b>6,596</b>	<b>6,675</b>	<b>4,009</b>	<b>2,459</b>	<b>-1,550</b>	<b>6,675</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E15 Clean and Green</b>										
	Expenditure	33,996	34,281	15,359	13,461	-1,898	34,281	0	0.00%	Variance to date due to timing differences in invoices being submitted by Veolia.
	Income	-8,239	-8,239	-2,092	-2,005	87	-8,239	0	0.00%	
	<b>Net Expenditure</b>	<b>25,757</b>	<b>26,042</b>	<b>13,267</b>	<b>11,456</b>	<b>-1,811</b>	<b>26,042</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E16 Waste Strategy, Policy and Procurement</b>										
	Expenditure	154	154	71	71	0	154	0	0.00%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>154</b>	<b>154</b>	<b>71</b>	<b>71</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E23 Concessionary Fares</b>										
	Expenditure	9,017	9,582	4,791	4,756	-35	9,582	0	0.00%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>9,017</b>	<b>9,582</b>	<b>4,791</b>	<b>4,756</b>	<b>-35</b>	<b>9,582</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E30 Fleet Management</b>										
	Expenditure	1,037	1,037	688	965	277	1,037	0	0.00%	Variance to date due to increase in demand, off set by additional income
	Income	-1,037	-1,037	-518	-898	-380	-1,037	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>170</b>	<b>67</b>	<b>-103</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E31 Passenger Transport</b>										
	Expenditure	4,837	4,837	2,418	2,148	-270	4,837	0	0.00%	
	Income	-4,837	-4,837	-2,058	-1,626	432	-4,837	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>360</b>	<b>522</b>	<b>162</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E32 DSO Vehicle Workshop</b>										
	Expenditure	487	487	244	159	-85	487	0	0.00%	
	Income	-487	-487	-244	-134	110	-487	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>41,524</b>	<b>42,453</b>	<b>22,683</b>	<b>19,509</b>	<b>-3,174</b>	<b>42,453</b>	<b>0</b>	<b>0.00%</b>	

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		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	Communities & Localities	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: CSC Safer Communities</b>										
<b>Vote: E80 Safer Communities Management</b>										
	Expenditure	155	155	77	101	24	155	0	0.00%	
	Income	-155	-155	-77	-77	0	-155	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E81 Comm Safety Partnership, DV&amp;HC</b>										
	Expenditure	2,482	2,407	937	677	-260	2,407	0	0.00%	
	Income	-248	-154	-77	-87	-10	-154	0	0.00%	
	<b>Net Expenditure</b>	<b>2,234</b>	<b>2,253</b>	<b>860</b>	<b>590</b>	<b>-270</b>	<b>2,253</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E83 Enforcement &amp; Intervention</b>										
	Expenditure	3,141	3,161	1,557	1,539	-18	3,161	0	0.00%	
	Income	-196	-196	-179	-230	-51	-196	0	0.00%	
	<b>Net Expenditure</b>	<b>2,945</b>	<b>2,965</b>	<b>1,378</b>	<b>1,309</b>	<b>-69</b>	<b>2,965</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E84 Drugs and Alcohol Action Team</b>										
	Expenditure	10,825	10,989	3,217	2,993	-224	10,989	0	0.00%	
	Income	-9,490	-9,593	-2,059	-2,049	10	-9,593	0	0.00%	
	<b>Net Expenditure</b>	<b>1,335</b>	<b>1,396</b>	<b>1,158</b>	<b>944</b>	<b>-214</b>	<b>1,396</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E85 Env Commercial Services</b>										
	Expenditure	3,659	3,743	1,777	1,694	-83	3,743	0	0.00%	
	Income	-1,252	-1,279	-968	-1,000	-32	-1,279	0	0.00%	
	<b>Net Expenditure</b>	<b>2,407</b>	<b>2,464</b>	<b>809</b>	<b>694</b>	<b>-115</b>	<b>2,464</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E86 Env Health Protection</b>										
	Expenditure	4,151	4,208	1,987	1,947	-40	4,208	0	0.00%	
	Income	-1,142	-1,142	-538	-532	6	-1,142	0	0.00%	
	<b>Net Expenditure</b>	<b>3,009</b>	<b>3,066</b>	<b>1,449</b>	<b>1,415</b>	<b>-34</b>	<b>3,066</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: E87 Youth &amp; Connexions Service</b>										
	Expenditure	8,789	8,835	3,800	3,788	-12	8,835	0	0.00%	
	Income	-546	-584	-96	-150	-54	-584	0	0.00%	
	<b>Net Expenditure</b>	<b>8,243</b>	<b>8,251</b>	<b>3,704</b>	<b>3,638</b>	<b>-66</b>	<b>8,251</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>20,173</b>	<b>20,395</b>	<b>9,358</b>	<b>8,614</b>	<b>-744</b>	<b>20,395</b>	<b>0</b>	<b>0.00%</b>	
<b>Service Area: CSI Service Integration</b>										
<b>Vote: E71 Service Integration</b>										
	Expenditure	526	526	263	128	-135	526	0	0.00%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>526</b>	<b>526</b>	<b>263</b>	<b>128</b>	<b>-135</b>	<b>526</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>526</b>	<b>526</b>	<b>263</b>	<b>128</b>	<b>-135</b>	<b>526</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure Fund Type: GEN</b>	<b>77,870</b>	<b>79,481</b>	<b>40,807</b>	<b>36,414</b>	<b>-4,393</b>	<b>79,481</b>	<b>0</b>	<b>0.00%</b>	
<b>Fund Type: STR Street Trading Accounts</b>										
<b>Service Area: CSC Safer Communities</b>										
<b>Vote: E82 Street Trading Account</b>										
	Expenditure	2,314	2,314	1,128	1,132	4	2,314	0	0.00%	
	Income	-2,314	-2,314	-1,157	-1,334	-177	-2,314	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-29</b>	<b>-202</b>	<b>-173</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-29</b>	<b>-202</b>	<b>-173</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure Fund Type: STR</b>	<b>0</b>	<b>0</b>	<b>-29</b>	<b>-202</b>	<b>-173</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure for Communities &amp; Localities</b>	<b>77,870</b>	<b>79,481</b>	<b>36,673</b>	<b>31,895</b>	<b>-4,778</b>	<b>79,481</b>	<b>0</b>	<b>0.00%</b>	

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Corporate Monthly Budget Monitoring		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	Corporate Cost and Central Items	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Fund Type: GEN General Fund Account</b>										
<b>Service Area: COR Corporate Costs</b>										
<b>Vote: R88 Financial Strategy Team</b>										
	Balance Sheet	0	0	0	303	303	0	0	0.0%	
	Capital Expenditure	7,095	7,095	3,547	1,740	-1,807	7,095	0	0.0%	Additional investment income has been ben received due to higher than expected investment balances, slippage on the capital programme and grant funding recieved earlier than expected. Spend to date variance is due to items such as depreciation and minimum revenue pro vision being processed at year-end
	Expenditure	14,361	14,320	7,160	6,133	-1,027	14,320	0	0.0%	
	Income	-1,700	-1,700	-850	-1,015	-165	-2,500	-800	47.1%	
	<b>Net Expenditure</b>	<b>19,756</b>	<b>19,715</b>	<b>9,857</b>	<b>7,161</b>	<b>-2,696</b>	<b>18,915</b>	<b>-800</b>	<b>-4.1%</b>	
	<b>Net Expenditure</b>	<b>19,756</b>	<b>19,715</b>	<b>9,857</b>	<b>7,161</b>	<b>-2,696</b>	<b>18,915</b>	<b>-800</b>	<b>-4.1%</b>	
<b>Service Area: CTR Central Items</b>										
<b>Vote: CEN Central Items</b>										
	Balance Sheet	-54,005	-56,926	-28,362	0	28,362	-56,926	0	0.0%	
	<b>Net Expenditure</b>	<b>-54,005</b>	<b>-56,926</b>	<b>-28,362</b>	<b>0</b>	<b>28,362</b>	<b>-56,926</b>	<b>0</b>	<b>0.0%</b>	
	<b>Net Expenditure</b>	<b>-54,005</b>	<b>-56,926</b>	<b>-28,362</b>	<b>0</b>	<b>28,362</b>	<b>-56,926</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure Fund Type: GEN</b>		<b>-34,249</b>	<b>-37,211</b>	<b>-18,505</b>	<b>7,161</b>	<b>25,666</b>	<b>-38,011</b>	<b>-800</b>	<b>2.1%</b>	
<b>Net Expenditure for Corporate Cost and Central Items</b>		<b>-34,249</b>	<b>-37,211</b>	<b>-18,505</b>	<b>7,161</b>	<b>25,666</b>	<b>-38,011</b>	<b>-800</b>	<b>2.1%</b>	

Corporate Monthly Budget Monitoring

September 2014	Development & Renewal	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	

Fund Type: GEN General Fund Account

Service Area: JAM Corporate Property & Capital Delivery

Vote: A58 Technical Resources

Expenditure	713	713	233	241	8	713	0	0.00%
Income	-47	-47	-23	-49	-26	-47	0	0.00%
<b>Net Expenditure</b>	<b>666</b>	<b>666</b>	<b>210</b>	<b>192</b>	<b>-18</b>	<b>666</b>	<b>0</b>	<b>0.00%</b>

Vote: J16 Corporate Property

Expenditure	1,617	1,617	808	847	39	1,708	92	5.69%
Income	-576	-576	-288	-309	-21	-667	-92	15.97%
<b>Net Expenditure</b>	<b>1,041</b>	<b>1,041</b>	<b>520</b>	<b>538</b>	<b>18</b>	<b>1,041</b>	<b>0</b>	<b>0.00%</b>

Vote: J30 Capital Delivery

Expenditure	986	986	493	1,202	709	989	3	0.30%	Costs and income collected on this code then recharged at year end
Income	-898	-898	-449	-544	-95	-898	0	0.00%	
<b>Net Expenditure</b>	<b>88</b>	<b>88</b>	<b>44</b>	<b>658</b>	<b>614</b>	<b>91</b>	<b>3</b>	<b>3.41%</b>	

Vote: J32 Administrative Buildings

Expenditure	12,878	12,878	6,439	6,263	-176	12,878	0	0.00%	Net revenue budget, all costs within this are recharged across the directorates via support services at year end.
Income	-13,881	-13,881	-6,941	-6,941	0	-13,882	0	0.00%	
<b>Net Expenditure</b>	<b>-1,003</b>	<b>-1,003</b>	<b>-502</b>	<b>-678</b>	<b>-176</b>	<b>-1,004</b>	<b>0</b>	<b>0.00%</b>	

Vote: J34 Depots

Expenditure	221	221	110	145	35	415	194	87.78%	Inherited BAM (Better Asset Management) savings did not materialise - consolidations depot delayed. Therefore costs associated running of the depot exceeds the available budget. A growth bid has been submitted to mitigate this costs pressures in 2015/16.
Income	-375	-375	-187	-172	15	-375	0	0.00%	
<b>Net Expenditure</b>	<b>-154</b>	<b>-154</b>	<b>-77</b>	<b>-27</b>	<b>50</b>	<b>40</b>	<b>194</b>	<b>-125.97%</b>	

Vote: K97 BATs Tr A/C

Expenditure	744	744	372	445	73	894	150	20.16%	Trading Activity - expected to generate surplus in the year, no impact on the general fund, invoices yet to be raised to schools
Income	-744	-744	-372	-76	296	-894	-150	20.16%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>369</b>	<b>369</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure</b>	<b>638</b>	<b>638</b>	<b>195</b>	<b>1,052</b>	<b>857</b>	<b>834</b>	<b>197</b>	<b>30.88%</b>	

Service Area: JEE Economic Development

Vote: J24 Economic Development

Expenditure	3,236	3,236	1,618	1,751	133	3,237	0	0.00%	Need to review the further spend on this area, 5 year cash flow is being developed for the service to ascertain funding and GF implications for future years
Income	-1,518	-1,518	-759	-171	588	-1,518	0	0.00%	HRA recharges to be done at year end
<b>Net Expenditure</b>	<b>1,718</b>	<b>1,718</b>	<b>859</b>	<b>1,580</b>	<b>721</b>	<b>1,719</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure</b>	<b>1,718</b>	<b>1,718</b>	<b>859</b>	<b>1,637</b>	<b>778</b>	<b>1,719</b>	<b>0</b>	<b>0.00%</b>	

Corporate Monthly Budget Monitoring

September 2014		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
Development & Renewal		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: JES Resources</b>										
<b>Vote: J08 Programmes &amp; Projects Funding</b>										
	Expenditure	105	105	52	1,344	1,292	105	0	0.00%	Project related spend - mainly recharged to capital and HRA during the year
	Income	-105	-105	-53	-580	-527	-105	0	0.00%	end. No impact on General Fund.
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>764</b>	<b>765</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J12 Resources</b>										
	Expenditure	1,848	1,848	924	946	22	1,987	139	7.52%	Recharges will be processed as part of the year end process
	Income	-559	-559	-279	0	279	-689	-130	23.26%	
	<b>Net Expenditure</b>	<b>1,289</b>	<b>1,289</b>	<b>645</b>	<b>946</b>	<b>301</b>	<b>1,298</b>	<b>9</b>	<b>0.70%</b>	
<b>Vote: J14 Management &amp; Support Services</b>										
	Expenditure	2,534	2,726	1,363	3,388	2,025	2,726	0	0.00%	Central support services recharged at year end.
	Income	-45	-45	-23	66	89	-45	0	0.00%	
	<b>Net Expenditure</b>	<b>2,489</b>	<b>2,681</b>	<b>1,340</b>	<b>3,454</b>	<b>2,114</b>	<b>2,681</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J48 Third Sector Team</b>										
	Expenditure	2,451	2,472	1,236	1,478	242	2,472	0	0.00%	Spend related to EU funded projects - grant income will be drawn during the closure process
	Income	0	0	0	6	6	0	0	0.00%	
	<b>Net Expenditure</b>	<b>2,451</b>	<b>2,472</b>	<b>1,236</b>	<b>1,484</b>	<b>248</b>	<b>2,472</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>6,229</b>	<b>6,442</b>	<b>3,220</b>	<b>6,648</b>	<b>3,428</b>	<b>6,451</b>	<b>9</b>	<b>0.14%</b>	
<b>Service Area: JHO Housing Options</b>										
<b>Vote: J26 Lettings</b>										
	Expenditure	2,482	2,482	1,241	889	-352	2,482	0	0.00%	RSL invoices for 14/15 still to be raised, and HRA recharges yet to be processed for the year. No year end variance anticipated.
	Income	-1,380	-1,380	-690	-4	686	-1,380	0	0.00%	
	<b>Net Expenditure</b>	<b>1,102</b>	<b>1,102</b>	<b>551</b>	<b>885</b>	<b>334</b>	<b>1,102</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J40 Homelessness</b>										
	Expenditure	32,010	32,010	16,005	14,197	-1,808	32,010	0	0.00%	Budget includes DCLG grant of £1.6m. Due to back log in processing invoices - expenditure is lower then the actual income YTD, this will be rectified during the year. In overall service should able to absorb unexpected increase in expenditure
	Income	-29,185	-29,185	-14,592	-15,565	-973	-29,185	0	0.00%	
	<b>Net Expenditure</b>	<b>2,825</b>	<b>2,825</b>	<b>1,413</b>	<b>-1,368</b>	<b>-2,781</b>	<b>2,825</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>3,927</b>	<b>3,927</b>	<b>1,964</b>	<b>-483</b>	<b>-2,447</b>	<b>3,927</b>	<b>0</b>	<b>0.00%</b>	

Corporate Monthly Budget Monitoring

September 2014 Development & Renewal

	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: JPB Planning &amp; Building Control</b>									
<b>Vote: J04 BC Revenue</b>									
Expenditure	564	564	282	221	-61	564	0	0.00%	
Income	-340	-340	-170	-41	129	-340	0	0.00%	
<b>Net Expenditure</b>	<b>224</b>	<b>224</b>	<b>112</b>	<b>180</b>	<b>68</b>	<b>224</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J06 Development Management</b>									
Expenditure	2,348	2,348	1,174	1,232	58	2,440	93	3.96%	additional fee income and vacant posts contributing to underspend
Income	-2,160	-2,160	-1,080	-1,380	-300	-2,470	-310	14.35%	
<b>Net Expenditure</b>	<b>188</b>	<b>188</b>	<b>94</b>	<b>-148</b>	<b>-242</b>	<b>-30</b>	<b>-217</b>	<b>-115.43%</b>	
<b>Vote: J44 Application Support</b>									
Expenditure	660	660	330	272	-58	660	0	0.00%	
Income	-817	-817	-409	-456	-47	-817	0	0.00%	
<b>Net Expenditure</b>	<b>-157</b>	<b>-157</b>	<b>-79</b>	<b>-184</b>	<b>-105</b>	<b>-157</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J45 Planning, Other Projects</b>									
Expenditure	0	0	0	2,847	2,847	0	0	0.00%	London Mayor's CIL payments - to TFL, recovered via Community Infrastructure Levy (CIL) reflected in income, this vote is cleared at year end. No impact on the GF.
Income	0	0	0	-2,571	-2,571	0	0	0.00%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>276</b>	<b>276</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J46 Strategic Planning</b>									
Expenditure	1,250	1,250	625	326	-299	1,250	0	0.00%	Historic buildings grants payments yet to be processed approx. £100k (payments delayed to third-party), plus £100k allocated to Whitechapel vision project team needs to be vired within the cost centre
Income	-15	-15	-8	0	8	-15	0	0.00%	
<b>Net Expenditure</b>	<b>1,235</b>	<b>1,235</b>	<b>617</b>	<b>326</b>	<b>-291</b>	<b>1,235</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J47 PBC Service Management</b>									
Expenditure	343	343	171	134	-37	343	0	0.00%	
Income	-48	-48	-24	-20	4	-48	0	0.00%	
<b>Net Expenditure</b>	<b>295</b>	<b>295</b>	<b>147</b>	<b>114</b>	<b>-33</b>	<b>295</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: J49 Infrastructure Planning</b>									
Expenditure	389	389	195	150	-45	389	0	0.00%	
Income	-366	-366	-183	0	183	-366	0	0.00%	
<b>Net Expenditure</b>	<b>23</b>	<b>23</b>	<b>12</b>	<b>150</b>	<b>138</b>	<b>23</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: K99 Building Control Trading A/c</b>									
Expenditure	982	982	491	243	-248	982	0	0.00%	Unfilled vacant posts frozen due to reduction in trading activity as part of the mitigating action plan to bring the trading account into a healthy position. Ring Fenced Account - does not impact General Fund.
Income	-982	-982	-491	-492	-1	-982	0	0.00%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-249</b>	<b>-249</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure</b>	<b>1,808</b>	<b>1,808</b>	<b>903</b>	<b>465</b>	<b>-438</b>	<b>1,591</b>	<b>-217</b>	<b>-12.00%</b>	
<b>Service Area: JRS Regen Strategy and Sustainability</b>									
<b>Vote: J20 Strategy Regen Sustainability</b>									
Expenditure	3,167	3,167	1,583	1,212	-371	3,187	20	0.63%	Payments re: Barkantine heating and power outstanding for the year. Energy Team and finance are currently working with the service to develop a trading account and a sustainable business model for the trading activity.
Income	-1,734	-1,734	-867	-6	861	-1,745	-11	0.63%	
<b>Net Expenditure</b>	<b>1,433</b>	<b>1,433</b>	<b>716</b>	<b>1,206</b>	<b>490</b>	<b>1,442</b>	<b>9</b>	<b>0.63%</b>	
<b>Vote: J22 Housing Regeneration</b>									
Expenditure	492	492	246	377	131	492	0	0.00%	
Income	-544	-544	-272	-129	143	-544	0	0.00%	
<b>Net Expenditure</b>	<b>-52</b>	<b>-52</b>	<b>-26</b>	<b>248</b>	<b>274</b>	<b>-52</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure</b>	<b>1,381</b>	<b>1,381</b>	<b>690</b>	<b>1,454</b>	<b>764</b>	<b>1,390</b>	<b>9</b>	<b>0.65%</b>	
<b>Net Expenditure Fund Type: GEN</b>	<b>15,701</b>	<b>15,914</b>	<b>7,832</b>	<b>10,773</b>	<b>2,942</b>	<b>15,914</b>	<b>0</b>	<b>0.00%</b>	

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Corporate Monthly Budget Monitoring

September 2014		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
Education, Social Care & Wellbeing		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Fund Type: DSG Dedicated Schools Grant</b>										
<b>Service Area: GLA Learning &amp; Achievement</b>										
<b>Vote: G11 Early Years Service GF</b>										
	Expenditure	2,116	2,116	1,058	493	-565	2,083	-33	-1.56%	Budget Adjustment required.
	Income	-27	-27	-14	-18	-4	48	75	-277.78%	Extension of Charging policy
	<b>Net Expenditure</b>	<b>2,089</b>	<b>2,089</b>	<b>1,044</b>	<b>475</b>	<b>-569</b>	<b>2,131</b>	<b>42</b>	<b>2.01%</b>	
<b>Vote: G12 Local Authority Day Nurseries</b>										
	Expenditure	2,922	2,922	1,434	1,139	-295	2,921	-1	-0.03%	
	Income	-198	-198	-99	-12	87	-208	-10	5.05%	
	<b>Net Expenditure</b>	<b>2,724</b>	<b>2,724</b>	<b>1,335</b>	<b>1,127</b>	<b>-208</b>	<b>2,713</b>	<b>-11</b>	<b>-0.40%</b>	
<b>Vote: G17 Support For Learning Serv DSG</b>										
	Expenditure	3,984	3,984	1,992	1,732	-260	4,054	70	1.76%	Increased costs due to 1% Salary increased from Sept. for Soulbury grades.
	Income	-1,142	-1,142	-571	-346	225	-1,272	-130	11.38%	Awaiting SLA Charges to be posted, increase relates to New Grant 14/15.
	<b>Net Expenditure</b>	<b>2,842</b>	<b>2,842</b>	<b>1,421</b>	<b>1,386</b>	<b>-35</b>	<b>2,782</b>	<b>-60</b>	<b>-2.11%</b>	
<b>Vote: H10 Learning &amp; Achievm't M &amp; A DSG</b>										
	Expenditure	879	879	439	0	-439	879	0	0.00%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>879</b>	<b>879</b>	<b>439</b>	<b>0</b>	<b>-439</b>	<b>879</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: H11 Early Years Service DSG</b>										
	Expenditure	27,258	27,258	12,379	3,268	-9,111	25,191	-2,067	-7.58%	This variance represents two year old Rev. support to capital, as now agreed by DfE, It will not be realised in 14/15. Budget Manager has requested a C/fwd to 15/16 of DSG Grant.
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>27,258</b>	<b>27,258</b>	<b>12,379</b>	<b>3,268</b>	<b>-9,111</b>	<b>25,191</b>	<b>-2,067</b>	<b>-7.58%</b>	
<b>Vote: H16 Special Educ Needs DSG</b>										
	Expenditure	31,940	31,940	12,295	3,953	-8,342	32,067	127	0.40%	Demand led service based on current data this would be the likely outturn figures.
	Income	0	0	0	448	448	4	4	0.00%	
	<b>Net Expenditure</b>	<b>31,940</b>	<b>31,940</b>	<b>12,295</b>	<b>4,401</b>	<b>-7,894</b>	<b>32,071</b>	<b>131</b>	<b>0.41%</b>	
<b>Vote: H18 Educ Psychology Serv DSG</b>										
	Expenditure	188	188	94	0	-94	188	0	0.00%	
	<b>Net Expenditure</b>	<b>188</b>	<b>188</b>	<b>94</b>	<b>0</b>	<b>-94</b>	<b>188</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: H78 Pupil Admissions &amp; Excl DSG</b>										
	Expenditure	4,795	4,795	2,398	506	-1,892	4,726	-69	-1.44%	Demand led service, Increased third party activity.
	Income	-1,129	-1,129	-564	29	593	-1,322	-193	17.09%	increase in SLA charges, this could change with revised figures next term.
	<b>Net Expenditure</b>	<b>3,666</b>	<b>3,666</b>	<b>1,834</b>	<b>535</b>	<b>-1,299</b>	<b>3,404</b>	<b>-262</b>	<b>-7.15%</b>	
	<b>Net Expenditure</b>	<b>71,586</b>	<b>71,586</b>	<b>30,841</b>	<b>11,192</b>	<b>-19,649</b>	<b>69,359</b>	<b>-2,227</b>	<b>-3.11%</b>	

Corporate Monthly Budget Monitoring

September 2014 Education, Social Care & Wellbeing

Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	

Service Area: GRE ESCW Resources

Vote: H68 Ext Fund - Dedicated Sch Grant

Income	-323,927	-323,927	-1,909	0	1,909	-321,780	2,147	-0.66%	DSG journal to be posted at year end
<b>Net Expenditure</b>	<b>-323,927</b>	<b>-323,927</b>	<b>-1,909</b>	<b>0</b>	<b>1,909</b>	<b>-321,780</b>	<b>2,147</b>	<b>-0.66%</b>	

Vote: H79 ESCW Resources DSG M & A

Expenditure	3,568	3,568	1,784	162	-1,622	3,568	0	0.00%	DSG journal to be posted at year end
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>3,568</b>	<b>3,568</b>	<b>1,784</b>	<b>162</b>	<b>-1,622</b>	<b>3,568</b>	<b>0</b>	<b>0.00%</b>	

Vote: H83 ESCW Human Resources DSG

Expenditure	1,392	1,392	696	287	-409	1,392	0	0.00%	
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>1,392</b>	<b>1,392</b>	<b>696</b>	<b>287</b>	<b>-409</b>	<b>1,392</b>	<b>0</b>	<b>0.00%</b>	

**Net Expenditure -318,967 -318,967 571 449 -122 -316,820 2,147 -0.67%**

Service Area: GSC Childrens Social Care

Vote: H55 Children Looked After DSG

Expenditure	289	651	326	174	-152	369	-283	-43.47%	Overspend will be funded by £40k carry forward and £40k growth from DSG
Income	0	-363	-181	0	181	0	363	-100.00%	
<b>Net Expenditure</b>	<b>289</b>	<b>288</b>	<b>145</b>	<b>174</b>	<b>29</b>	<b>369</b>	<b>80</b>	<b>27.78%</b>	

Vote: H62 Attendance & Welfare Service

Expenditure	55	55	27	55	28	55	0	0.00%	
<b>Net Expenditure</b>	<b>55</b>	<b>55</b>	<b>27</b>	<b>55</b>	<b>28</b>	<b>55</b>	<b>0</b>	<b>0.00%</b>	

**Net Expenditure 344 343 172 229 57 424 80 23.32%**

Service Area: GSH Schools

Vote: G02 Pre-Primary Schools DSG

Expenditure	380	380	190	1,664	1,474	380	0	0.00%	School Transactions - Posted at Year End
Income	-43	-43	-21	-41	-20	-43	0	0.00%	
<b>Net Expenditure</b>	<b>337</b>	<b>337</b>	<b>169</b>	<b>1,623</b>	<b>1,454</b>	<b>337</b>	<b>0</b>	<b>0.00%</b>	

Vote: G04 Primary Schools DSG

Expenditure	144,994	144,994	59,095	29,193	-29,902	144,994	0	0.00%	School Transactions - Posted at Year End
Income	-11,411	-11,411	-15	-230	-215	-11,411	0	0.00%	
<b>Net Expenditure</b>	<b>133,583</b>	<b>133,583</b>	<b>59,080</b>	<b>28,963</b>	<b>-30,117</b>	<b>133,583</b>	<b>0</b>	<b>0.00%</b>	

Vote: G06 Secondary Schools DSG

Expenditure	130,931	130,931	44,171	33,501	-10,670	130,931	0	0.00%	School Transactions - Posted at Year End
Income	-25,129	-25,129	0	-1,009	-1,009	-25,129	0	0.00%	School Transactions - Posted at Year End
<b>Net Expenditure</b>	<b>105,802</b>	<b>105,802</b>	<b>44,171</b>	<b>32,492</b>	<b>-11,679</b>	<b>105,802</b>	<b>0</b>	<b>0.00%</b>	

Vote: G08 Special Schools DSG

Expenditure	5,477	5,477	2,467	2,176	-291	5,477	0	0.00%	
Income	-222	-222	0	88	88	-222	0	0.00%	
<b>Net Expenditure</b>	<b>5,255</b>	<b>5,255</b>	<b>2,467</b>	<b>2,264</b>	<b>-203</b>	<b>5,255</b>	<b>0</b>	<b>0.00%</b>	

Vote: G29 Pupil Referral Unit

Expenditure	2,060	2,060	1,030	1,566	536	2,060	0	0.00%	School Transactions - Posted at Year End
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>2,060</b>	<b>2,060</b>	<b>1,030</b>	<b>1,566</b>	<b>536</b>	<b>2,060</b>	<b>0</b>	<b>0.00%</b>	

Vote: H04 Primary Academies

Expenditure	0	0	0	713	713	0	0	0.00%	School Transactions - Posted at Year End
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>713</b>	<b>713</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	

Vote: H06 Secondary Academies

Expenditure	0	0	0	46	46	0	0	0.00%	
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	

**Net Expenditure 247,037 247,037 106,917 67,667 -39,250 247,037 0 0.00%**

Net Expenditure Fund Type: DSG

**0 -1 138,501 79,537 -58,964 0 0 0.00%**

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£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	

Fund Type: GEN General Fund Account

Service Area: ACS Commissioning & Health

Vote: A05 Carers Grant

Expenditure	1,095	1,095	548	375	-173	1,204	109	9.95%	Recharge of £100k for 'Carer Health Check' nurses' Agency costs
Income	0	0	0	-100	-100	-100	-100	0.00%	Income Recharge for £100k income from PH to fund 'Carer Health Check Nurses' agency costs
<b>Net Expenditure</b>	<b>1,095</b>	<b>1,095</b>	<b>548</b>	<b>275</b>	<b>-273</b>	<b>1,104</b>	<b>9</b>	<b>0.82%</b>	

Vote: A47 Access to Resources

Expenditure	1,286	1,366	683	645	-38	1,580	214	15.67%	Cost of 4 agency staff previously funded by S256.
Income	0	-80	-40	0	40	-80	0	0.00%	
<b>Net Expenditure</b>	<b>1,286</b>	<b>1,286</b>	<b>643</b>	<b>645</b>	<b>2</b>	<b>1,500</b>	<b>214</b>	<b>16.64%</b>	

Vote: A48 Strategic Commissioning

Expenditure	2,726	3,811	1,905	1,380	-525	3,583	-228	-5.98%	Variance to date - adjustment required.
Income	-343	-1,019	-510	-328	182	-1,009	10	-0.98%	
<b>Net Expenditure</b>	<b>2,383</b>	<b>2,792</b>	<b>1,395</b>	<b>1,052</b>	<b>-343</b>	<b>2,574</b>	<b>-218</b>	<b>-7.81%</b>	

Vote: A50 Supporting People

Expenditure	14,487	14,547	7,273	5,397	-1,876	13,759	-787	-5.41%	Underspend is due to reduced commitments of SP Block contracts. The service has gone through a service delivery model which in turn has created savings.
Income	-25	-85	-43	0	43	-85	0	0.00%	
<b>Net Expenditure</b>	<b>14,462</b>	<b>14,462</b>	<b>7,230</b>	<b>5,397</b>	<b>-1,833</b>	<b>13,674</b>	<b>-787</b>	<b>-5.44%</b>	

Vote: A53 Commiss'g & Strategy Divn M&A

Expenditure	311	391	196	136	-60	394	3	0.77%	
Income	0	-80	-40	0	40	-80	0	0.00%	
<b>Net Expenditure</b>	<b>311</b>	<b>311</b>	<b>156</b>	<b>136</b>	<b>-20</b>	<b>314</b>	<b>3</b>	<b>0.96%</b>	

Vote: A59 Corporate Services

Expenditure	144	144	72	250	178	144	0	0.00%	
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>144</b>	<b>144</b>	<b>72</b>	<b>250</b>	<b>178</b>	<b>144</b>	<b>0</b>	<b>0.00%</b>	

Vote: G67 Commissioned Services

Expenditure	1,765	1,818	909	731	-178	1,989	170	9.35%	£56k due to S256 staff commitment above the allocated S256 funding ; 124k due to unbudgeted commitment on Payment to Private Contractors- Special Events
Income	-450	-493	-247	-71	176	-450	44	-8.92%	Adult Psychologist post previously funded by S256.
<b>Net Expenditure</b>	<b>1,315</b>	<b>1,325</b>	<b>662</b>	<b>660</b>	<b>-2</b>	<b>1,539</b>	<b>214</b>	<b>16.15%</b>	

<b>Net Expenditure</b>	<b>20,996</b>	<b>21,415</b>	<b>10,706</b>	<b>8,415</b>	<b>-2,291</b>	<b>20,849</b>	<b>-565</b>	<b>-2.64%</b>	
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Service Area: APH Public Health

Vote: A51 Public Health

Expenditure	31,084	31,085	15,540	7,709	-7,831	31,080	0	0.00%	
Income	0	0	0	30	30	0	0	0.00%	
<b>Net Expenditure</b>	<b>31,084</b>	<b>31,085</b>	<b>15,540</b>	<b>7,739</b>	<b>-7,801</b>	<b>31,080</b>	<b>0</b>	<b>0.00%</b>	

<b>Net Expenditure</b>	<b>31,084</b>	<b>31,085</b>	<b>15,540</b>	<b>7,739</b>	<b>-7,801</b>	<b>31,080</b>	<b>0</b>	<b>0.00%</b>	
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Budget Original Budget Current Budget To Date Actuals Variance To Date Forecast Current Variance Forecast v. Budget % Variance Forecast v. Budget Comments

£'000 £'000 £'000 £'000 £'000 £'000 £'000 %

Service Area: ASC Adults Social Care

Vote: A02 Disabilities & Health Divn M&A

Expenditure	198	317	158	129	-29	314	-2	-0.63%	There is a pressure of £122k on Pay and on cost offset by £119k underspend on S256 expenditure. Given that the S256 has a Nil effect on the budget the pressure on this vote is due to pay and on cost of £122k which is due to the agency cost of the Interim Head of ASC. No S256 income funding will be received as no commitment forecasted. This overspend is offset by the underspend on S256 commitment on the expenditure side to leave a pressure of £122k due to pay and on cost.
Income	0	-119	-60	0	60	0	119	-100.00%	
<b>Net Expenditure</b>	<b>198</b>	<b>198</b>	<b>98</b>	<b>129</b>	<b>31</b>	<b>314</b>	<b>117</b>	<b>59.09%</b>	

Vote: A08 Older People Mental Health

Expenditure	411	486	243	207	-36	525	39	8.02%
Income	0	-75	-38	0	38	-62	13	-17.33%
<b>Net Expenditure</b>	<b>411</b>	<b>411</b>	<b>205</b>	<b>207</b>	<b>2</b>	<b>463</b>	<b>52</b>	<b>12.65%</b>

Vote: A13 Learning Disabilities Sub Divi

Expenditure	92	92	46	0	-46	108	15	16.30%
Income	-35	-35	-18	0	18	-35	0	0.00%
<b>Net Expenditure</b>	<b>57</b>	<b>57</b>	<b>28</b>	<b>0</b>	<b>-28</b>	<b>73</b>	<b>15</b>	<b>26.32%</b>

Vote: A14 Learning Disabilities A&C Mgmt

Expenditure	817	817	408	2	-406	1,360	543	66.46%	Overspend due to unbudgeted Agency Staff expenditure previously covered by S256. This vote is part of a pooled budget with health but health has not agreed to cover any overspends. The variance to date is due to delays in the receipt of invoices.
Income	-79	-79	-39	0	39	0	79	-100.00%	
<b>Net Expenditure</b>	<b>738</b>	<b>738</b>	<b>369</b>	<b>2</b>	<b>-367</b>	<b>1,360</b>	<b>622</b>	<b>84.28%</b>	

Vote: A15 Occupational Therapy Pooled

Expenditure	442	442	221	70	-151	437	-5	-1.13%
Income	0	0	0	0	0	0	0	0.00%
<b>Net Expenditure</b>	<b>442</b>	<b>442</b>	<b>221</b>	<b>70</b>	<b>-151</b>	<b>437</b>	<b>-5</b>	<b>-1.13%</b>

Vote: A16 Community Equipment Pooled

Expenditure	935	935	468	0	-468	1,234	299	31.98%	Forecast increase mainly due to a rise of £81k in expected salary forecast and £68k increase in forecast for annual rent
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>935</b>	<b>935</b>	<b>468</b>	<b>0</b>	<b>-468</b>	<b>1,234</b>	<b>299</b>	<b>31.98%</b>	

Vote: A19 Adult Protection

Expenditure	354	354	177	153	-24	348	-6	-1.69%
Income	-38	-38	-19	-9	10	-35	3	-7.89%
<b>Net Expenditure</b>	<b>316</b>	<b>316</b>	<b>158</b>	<b>144</b>	<b>-14</b>	<b>313</b>	<b>-3</b>	<b>-0.95%</b>

Vote: A23 Mental Health Sub Div M&A

Expenditure	9	9	5	38	33	100	91	1011.11%	Additional pay and on cost.
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>38</b>	<b>33</b>	<b>100</b>	<b>91</b>	<b>1011.11%</b>	

Vote: A24 Area Mental Health Teams

Expenditure	2,675	2,725	1,363	1,165	-198	2,760	34	1.25%	Additional Pay & On cost
Income	-277	-327	-163	0	163	-292	34	-10.40%	
<b>Net Expenditure</b>	<b>2,398</b>	<b>2,398</b>	<b>1,200</b>	<b>1,165</b>	<b>-35</b>	<b>2,468</b>	<b>68</b>	<b>2.84%</b>	

Vote: A25 Mental Health Day Centres

Expenditure	506	506	238	169	-69	499	-8	-1.58%
Income	-3	-3	-1	0	1	1	4	-133.33%
<b>Net Expenditure</b>	<b>503</b>	<b>503</b>	<b>237</b>	<b>169</b>	<b>-68</b>	<b>500</b>	<b>-4</b>	<b>-0.80%</b>



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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Vote: A30 Adults Resources Sub Divn M&amp;A</b>									
Expenditure	111	111	56	53	-3	113	2	1.80%	
Income									
<b>Net Expenditure</b>	<b>111</b>	<b>111</b>	<b>56</b>	<b>53</b>	<b>-3</b>	<b>113</b>	<b>2</b>	<b>1.80%</b>	
<b>Vote: A31 Phys Disabilities Establishm't</b>									
Expenditure	562	562	281	122	-159	548	-14	-2.49%	
Income	-1	-1	0	0	0	-1	0	0.00%	
<b>Net Expenditure</b>	<b>561</b>	<b>561</b>	<b>281</b>	<b>122</b>	<b>-159</b>	<b>547</b>	<b>-14</b>	<b>-2.50%</b>	
<b>Vote: A32 Learning Disabilities D/Centre</b>									
Expenditure	401	401	200	0	-200	447	46	11.47%	Additional agency pay and on cost.
Income	-5	-5	-2	0	2	-5	0	0.00%	
<b>Net Expenditure</b>	<b>396</b>	<b>396</b>	<b>198</b>	<b>0</b>	<b>-198</b>	<b>442</b>	<b>46</b>	<b>11.62%</b>	
<b>Vote: A33 Older People Day Centres</b>									
Expenditure	1,718	1,730	853	445	-408	1,726	-4	-0.23%	
Income	-37	-49	-24	-22	2	-62	-14	28.57%	
<b>Net Expenditure</b>	<b>1,681</b>	<b>1,681</b>	<b>829</b>	<b>423</b>	<b>-406</b>	<b>1,664</b>	<b>-18</b>	<b>-1.07%</b>	
<b>Vote: A34 Home Care</b>									
Expenditure	4,551	4,551	2,276	2,751	475	4,574	23	0.51%	Overspend on care provision contract (Fides Care) is offset by an underspend on 'In House Home Care'.
Income	0	0	0	-34	-34	0	0	0.00%	
<b>Net Expenditure</b>	<b>4,551</b>	<b>4,551</b>	<b>2,276</b>	<b>2,717</b>	<b>441</b>	<b>4,574</b>	<b>23</b>	<b>0.51%</b>	
<b>Vote: A37 Emergency Duty Social Work</b>									
Expenditure	395	395	198	231	33	522	127	32.15%	Additional pay and on cost.
Income	-20	-20	-10	0	10	-21	-1	5.00%	
<b>Net Expenditure</b>	<b>375</b>	<b>375</b>	<b>188</b>	<b>231</b>	<b>43</b>	<b>501</b>	<b>126</b>	<b>33.60%</b>	
<b>Vote: A42 Older People Care Packages</b>									
Expenditure	23,278	23,918	11,959	7,915	-4,044	23,472	-446	-1.86%	The underspend is due to a lower forecast on home care and nursing care (£1.9m) offset by £1.4m higher forecast on residential spend, prevention and support, and extra care.
Income	-1,869	-2,509	-1,254	-876	378	-3,390	-881	35.11%	Due to increased forecast on client contribution collections (£87k); £546k due to increased contribution from health on Continuing Health Care (CHC) and Joint Funding Packages; £223k on extra sales and fees income.
<b>Net Expenditure</b>	<b>21,409</b>	<b>21,409</b>	<b>10,705</b>	<b>7,039</b>	<b>-3,666</b>	<b>20,082</b>	<b>-1,327</b>	<b>-6.20%</b>	
<b>Vote: A43 Learning Disab Care Packages</b>									
Expenditure	18,375	18,375	9,187	9,085	-102	18,621	247	1.34%	£81k residential care, £53k supported accommodation; £126k day care
Income	-150	-150	-75	44	119	-83	67	-44.67%	Due to £153k lost health contribution on care home charges and care package joint funding offset, by increased £87 k of client contribution collection forecast.
<b>Net Expenditure</b>	<b>18,225</b>	<b>18,225</b>	<b>9,112</b>	<b>9,129</b>	<b>17</b>	<b>18,538</b>	<b>314</b>	<b>1.72%</b>	
<b>Vote: A44 Mental Health Care packages</b>									
Expenditure	7,180	7,490	3,745	3,656	-89	7,967	478	6.38%	£31k due to day care pressure; £75k pressure on Nursing care; £96k pressure on Personal Budget cash; £120k on prevention and support; £126k Supported accommodation; 20k additional recharges.
Income	-1,252	-1,562	-781	-11	770	-1,478	83	-5.31%	Due to lost health funding for 'Joint Care packages'
<b>Net Expenditure</b>	<b>5,928</b>	<b>5,928</b>	<b>2,964</b>	<b>3,645</b>	<b>681</b>	<b>6,489</b>	<b>561</b>	<b>9.46%</b>	
<b>Vote: A45 Physical Disab Care Packages</b>									
Expenditure	6,369	6,369	3,184	4,446	1,262	9,122	2,753	43.22%	Due to £863k pressure on Direct Payments, £40k on Help to live at Home, £397k on nursing care packages; £800k on personal budgets cash; £482 k on residential packages; offset by underspends on
Income	-978	-978	-489	-20	469	-1,715	-737	75.36%	Prevention and Support £114k; homecare £403k.
<b>Net Expenditure</b>	<b>5,391</b>	<b>5,391</b>	<b>2,695</b>	<b>4,426</b>	<b>1,731</b>	<b>7,407</b>	<b>2,016</b>	<b>37.40%</b>	Increased forecast on client contribution collections.

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		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Vote: A46 HIV Care Packages</b>										
	Expenditure	160	160	80	22	-58	53	-107	-66.88%	Due to lower care package expenditure forecast
	Income	0	0	0	2	2	2	2	0.00%	
	<b>Net Expenditure</b>	<b>160</b>	<b>160</b>	<b>80</b>	<b>24</b>	<b>-56</b>	<b>55</b>	<b>-105</b>	<b>-65.63%</b>	
<b>Vote: A71 Finance Services</b>										
	Expenditure	306	306	153	106	-47	302	-4	-1.31%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>306</b>	<b>306</b>	<b>153</b>	<b>106</b>	<b>-47</b>	<b>302</b>	<b>-4</b>	<b>-1.31%</b>	
<b>Vote: A81 First Response</b>										
	Expenditure	3,169	3,223	1,611	1,622	11	3,603	380	11.79%	Additional staffing pay and on cost
	Income	-142	-195	-98	-54	44	-339	-144	73.85%	Due to Community Care Grant Income for 24/7 hospital discharge Social Worker response.
	<b>Net Expenditure</b>	<b>3,027</b>	<b>3,028</b>	<b>1,513</b>	<b>1,568</b>	<b>55</b>	<b>3,264</b>	<b>236</b>	<b>7.79%</b>	
<b>Vote: A82 Reablement</b>										
	Expenditure	2,650	2,713	1,356	1,012	-344	2,502	-211	-7.78%	Underspend on staffing budget
	Income	0	-63	-31	0	31	0	63	-100.00%	Due to no forecast on S256 funded cost
	<b>Net Expenditure</b>	<b>2,650</b>	<b>2,650</b>	<b>1,325</b>	<b>1,012</b>	<b>-313</b>	<b>2,502</b>	<b>-148</b>	<b>-5.58%</b>	
<b>Vote: A83 Long Term Support-Social Care</b>										
	Expenditure	2,725	2,925	1,462	1,314	-148	3,105	180	6.15%	£16k is due to Staff pay and On cost on Long term east support team; £57k due to staff pay and on cost on the west team., £90k due to Sensory impairment Professional Fees; £18k on central recharges for LTS
	Income	0	-200	-100	0	100	-210	-10	5.00%	
	<b>Net Expenditure</b>	<b>2,725</b>	<b>2,725</b>	<b>1,362</b>	<b>1,314</b>	<b>-48</b>	<b>2,895</b>	<b>170</b>	<b>6.24%</b>	
<b>Vote: A84 Long Term Support-OTs</b>										
	Expenditure	1,026	1,026	513	333	-180	919	-107	-10.43%	Lower than anticipated pay and on costs
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>1,026</b>	<b>1,026</b>	<b>513</b>	<b>333</b>	<b>-180</b>	<b>919</b>	<b>-107</b>	<b>-10.43%</b>	
	<b>Net Expenditure</b>	<b>74,529</b>	<b>74,530</b>	<b>37,239</b>	<b>34,066</b>	<b>-3,173</b>	<b>77,556</b>	<b>3,023</b>	<b>4.06%</b>	
<b>Service Area: GDS ESCW Directors Services</b>										
<b>Vote: G65 Transformation Project</b>										
	Expenditure	100	100	50	46	-4	131	31	31.00%	
	<b>Net Expenditure</b>	<b>100</b>	<b>100</b>	<b>50</b>	<b>46</b>	<b>-4</b>	<b>131</b>	<b>31</b>	<b>31.00%</b>	
<b>Vote: G74 Equalities Development</b>										
	Expenditure	393	337	168	59	-109	339	3	0.89%	
	Income	0	0	0	-4	-4	0	0	0.00%	
	<b>Net Expenditure</b>	<b>393</b>	<b>337</b>	<b>168</b>	<b>55</b>	<b>-113</b>	<b>339</b>	<b>3</b>	<b>0.89%</b>	
	<b>Net Expenditure</b>	<b>493</b>	<b>437</b>	<b>218</b>	<b>101</b>	<b>-117</b>	<b>470</b>	<b>34</b>	<b>7.78%</b>	

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	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: GLA Learning &amp; Achievement</b>									
<b>Vote: G10 Learning &amp; Achievement M &amp; A GF</b>									
Expenditure	189	189	95	145	50	189	0	0.00%	
Income	-160	-160	-80	0	80	-160	0	0.00%	
<b>Net Expenditure</b>	<b>29</b>	<b>29</b>	<b>15</b>	<b>145</b>	<b>130</b>	<b>29</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G13 Childrens Centres</b>									
Expenditure	10,736	10,736	5,338	4,402	-936	10,877	141	1.31%	Vacancy Factor pressures. These may ease with some recharge movements.
Income	0	0	0	-39	-39	0	0	0.00%	
<b>Net Expenditure</b>	<b>10,736</b>	<b>10,736</b>	<b>5,338</b>	<b>4,363</b>	<b>-975</b>	<b>10,877</b>	<b>141</b>	<b>1.31%</b>	
<b>Vote: G14 School Improvement Primary</b>									
Expenditure	671	671	336	242	-94	671	0	0.00%	Final outturn may vary depending on cost of recharge at year end
Income	-513	-513	-257	-908	-651	-513	0	0.00%	Income from RIA is the profile factor against budget.
<b>Net Expenditure</b>	<b>158</b>	<b>158</b>	<b>79</b>	<b>-666</b>	<b>-745</b>	<b>158</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G16 Special Educational Needs GF</b>									
Expenditure	3,973	3,973	1,986	1,405	-581	4,056	83	2.09%	
Income	-116	-116	-58	0	58	-116	0	0.00%	
<b>Net Expenditure</b>	<b>3,857</b>	<b>3,857</b>	<b>1,928</b>	<b>1,405</b>	<b>-523</b>	<b>3,940</b>	<b>83</b>	<b>2.15%</b>	
<b>Vote: G17 Support For Learning Serv DSG</b>									
Expenditure	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G18 Educational Psychology Serv GF</b>									
Expenditure	2,201	2,201	1,100	814	-286	2,201	0	0.00%	
Income	-1,434	-1,434	-427	-713	-286	-1,434	0	0.00%	
<b>Net Expenditure</b>	<b>767</b>	<b>767</b>	<b>673</b>	<b>101</b>	<b>-572</b>	<b>767</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G19 Parental Engagement &amp; Support</b>									
Expenditure	1,650	1,650	825	709	-116	1,677	27	1.64%	The service overspend is due to a challenging additional school SLA income target of £205k. This is obscured this year by additional grants which have additional spend programmed. Variance to date due to Summer Holiday costs profiled in September (staff claims-based work) and uncharged building costs
Income	-428	-428	-214	-286	-72	-447	-19	4.44%	
<b>Net Expenditure</b>	<b>1,222</b>	<b>1,222</b>	<b>611</b>	<b>423</b>	<b>-188</b>	<b>1,230</b>	<b>8</b>	<b>0.65%</b>	
<b>Vote: G20 School Governance &amp; Information</b>									
Expenditure	663	663	332	290	-42	688	25	3.77%	
Income	-365	-365	-183	-326	-143	-365	0	0.00%	
<b>Net Expenditure</b>	<b>298</b>	<b>298</b>	<b>149</b>	<b>-36</b>	<b>-185</b>	<b>323</b>	<b>25</b>	<b>8.39%</b>	
<b>Vote: G26 School Improvement Secondary</b>									
Expenditure	2,231	2,357	1,108	889	-219	2,509	152	6.45%	Increase in Demand led service balanced by corresponding income
Income	-992	-1,118	-559	33	592	-1,256	-138	12.34%	Increase income to balance off increase expenditure of demand led service
<b>Net Expenditure</b>	<b>1,239</b>	<b>1,239</b>	<b>549</b>	<b>922</b>	<b>373</b>	<b>1,253</b>	<b>14</b>	<b>1.13%</b>	
<b>Vote: G30 Arts &amp; Music Service</b>									
Expenditure	1,280	1,280	640	638	-2	1,280	0	0.00%	
Income	-1,280	-1,280	-464	-304	160	-1,280	0	0.00%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>334</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	

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September 2014	Education, Social Care & Wellbeing	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Vote: G33 E-Learning</b>										
	Expenditure	0	0	0	0	0	0	0	0.00%	
	Income	0	0	0	0	0	0	0	0.00%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G41 Healthy Lives</b>										
	Expenditure	563	563	281	200	-81	505	-58	-10.30%	
	Income	-400	-400	-200	0	200	-342	58	-14.50%	Variance to date due to Public Health recharge not posted until P7.
	<b>Net Expenditure</b>	<b>163</b>	<b>163</b>	<b>81</b>	<b>200</b>	<b>119</b>	<b>163</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G78 Pupil Admissions &amp; Excls GF</b>										
	Expenditure	889	889	444	205	-239	597	-292	-32.85%	Awaiting payment of Sundry Creditor
	<b>Net Expenditure</b>	<b>889</b>	<b>889</b>	<b>444</b>	<b>205</b>	<b>-239</b>	<b>597</b>	<b>-292</b>	<b>-32.85%</b>	
<b>Vote: H40 Careers Service</b>										
	Expenditure	1,215	1,285	643	538	-105	1,347	62	4.82%	
	Income	-300	-300	-150	-145	5	-341	-41	13.67%	
	<b>Net Expenditure</b>	<b>915</b>	<b>985</b>	<b>493</b>	<b>393</b>	<b>-100</b>	<b>1,006</b>	<b>21</b>	<b>2.13%</b>	
<b>Vote: H91 Schools Library Services &amp; HEC</b>										
	Expenditure	742	832	416	390	-26	742	-90	-10.82%	
	Income	-742	-832	-416	-531	-115	-742	90	-10.82%	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-141</b>	<b>-141</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>20,273</b>	<b>20,343</b>	<b>10,536</b>	<b>7,648</b>	<b>-2,888</b>	<b>20,343</b>	<b>0</b>	<b>0.00%</b>	
<b>Service Area: GRE ESCW Resources</b>										
<b>Vote: A61 Business Support &amp; Programme Management</b>										
	Expenditure	10	1,231	615	151	-464	798	-433	-35.17%	S256 expenditure Budget of £269k and £10k central recharges included in forecast have not yet to be uploaded to cost centre
	Income	0	-1,221	-611	0	611	-1,490	-269	22.03%	S256 income Budget of £269k included in forecast is yet to be uploaded to cost centre
	<b>Net Expenditure</b>	<b>10</b>	<b>10</b>	<b>4</b>	<b>151</b>	<b>147</b>	<b>-692</b>	<b>-702</b>	<b>-7020.00%</b>	
<b>Vote: A66 Learning and Development</b>										
	Expenditure	600	600	300	97	-203	500	-100	-16.67%	New apprentices funded by service budgets rather than A66 Vote
	Income	0	0	0	2	2	0	0	0.00%	
	<b>Net Expenditure</b>	<b>600</b>	<b>600</b>	<b>300</b>	<b>99</b>	<b>-201</b>	<b>500</b>	<b>-100</b>	<b>-16.67%</b>	
<b>Vote: G70 Childrens Information Systems</b>										
	Expenditure	708	708	354	390	36	786	78	11.02%	
	Income	-364	-364	-182	-341	-159	-441	-77	21.15%	
	<b>Net Expenditure</b>	<b>344</b>	<b>344</b>	<b>172</b>	<b>49</b>	<b>-123</b>	<b>345</b>	<b>1</b>	<b>0.29%</b>	
<b>Vote: G71 Strategy, Policy &amp; Performance</b>										
	Expenditure	1,565	1,609	805	664	-141	1,863	254	15.79%	Central and compliance recharges not posted
	Income	-13	-57	-28	-61	-33	-161	-104	182.46%	
	<b>Net Expenditure</b>	<b>1,552</b>	<b>1,552</b>	<b>777</b>	<b>603</b>	<b>-174</b>	<b>1,702</b>	<b>150</b>	<b>9.66%</b>	
<b>Vote: G72 Programme Management</b>										
	Expenditure	383	543	272	235	-37	558	15	2.76%	
	Income	0	-160	-80	0	80	-160	0	0.00%	
	<b>Net Expenditure</b>	<b>383</b>	<b>383</b>	<b>192</b>	<b>235</b>	<b>43</b>	<b>398</b>	<b>15</b>	<b>3.92%</b>	

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	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Vote: G75 IT Social Care</b>									
Expenditure	1,118	1,268	389	312	-77	1,316	48	3.79%	
Income	0	-150	-75	-86	-11	-236	-86	57.33%	
<b>Net Expenditure</b>	<b>1,118</b>	<b>1,118</b>	<b>314</b>	<b>226</b>	<b>-88</b>	<b>1,080</b>	<b>-38</b>	<b>-3.40%</b>	
<b>Vote: G79 ESCW Resources GF M &amp; A</b>									
Expenditure	238	238	119	113	-6	246	8	3.36%	
Income	-47	-47	-24	-63	-39	-47	0	0.00%	
<b>Net Expenditure</b>	<b>191</b>	<b>191</b>	<b>95</b>	<b>50</b>	<b>-45</b>	<b>199</b>	<b>8</b>	<b>4.19%</b>	
<b>Vote: G80 Information &amp; Support Services</b>									
Expenditure	502	502	251	318	67	625	123	24.50%	Share of 'Impower' costs
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>502</b>	<b>502</b>	<b>251</b>	<b>318</b>	<b>67</b>	<b>625</b>	<b>123</b>	<b>24.50%</b>	
<b>Vote: G81 Building Dev &amp; Tech Service</b>									
Expenditure	564	564	270	284	14	722	158	28.01%	Increased security costs plus business rates not previously budgeted for.
Income	-97	-97	-48	-77	-29	-116	-19	19.59%	
<b>Net Expenditure</b>	<b>467</b>	<b>467</b>	<b>222</b>	<b>207</b>	<b>-15</b>	<b>606</b>	<b>139</b>	<b>29.76%</b>	
<b>Vote: G82 ESCW Finance</b>									
Expenditure	1,073	1,073	537	532	-5	1,165	91	8.48%	
Income	-280	-280	-140	-612	-472	-378	-98	35.00%	
<b>Net Expenditure</b>	<b>793</b>	<b>793</b>	<b>397</b>	<b>-80</b>	<b>-477</b>	<b>787</b>	<b>-7</b>	<b>-0.88%</b>	
<b>Vote: G83 ESCW Human Resources GF</b>									
Expenditure	1,571	1,599	799	985	186	1,571	-28	-1.75%	
Income	0	-28	-14	0	14	0	28	-100.00%	
<b>Net Expenditure</b>	<b>1,571</b>	<b>1,571</b>	<b>785</b>	<b>985</b>	<b>200</b>	<b>1,571</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G86 Professional Dev Centre</b>									
Expenditure	885	885	293	260	-33	910	25	2.82%	
Income	-591	-591	-295	-318	-23	-400	191	-32.32%	PDC relocated to Bethnal Green; client base being built
<b>Net Expenditure</b>	<b>294</b>	<b>294</b>	<b>-2</b>	<b>-58</b>	<b>-56</b>	<b>510</b>	<b>216</b>	<b>73.47%</b>	
<b>Vote: G87 Contract Services</b>									
Expenditure	15,790	15,790	7,895	7,277	-618	16,146	356	2.25%	
Income	-15,790	-15,790	-7,895	-4,146	3,749	-17,412	-1,622	10.27%	Increased trading activity. Surplus usually supplements the DSG
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,131</b>	<b>3,131</b>	<b>-1,266</b>	<b>-1,266</b>	<b>0.00%</b>	
<b>Vote: H82 Holding Account &amp; Support Serv</b>									
Expenditure	3,485	4,922	2,461	7,271	4,810	5,785	863	17.53%	Recharges to be put through at year end
Income	0	0	0	-2,000	-2,000	0	0	0.00%	
<b>Net Expenditure</b>	<b>3,485</b>	<b>4,922</b>	<b>2,461</b>	<b>5,271</b>	<b>2,810</b>	<b>5,785</b>	<b>863</b>	<b>17.53%</b>	
<b>Vote: H90 PFI</b>									
Expenditure	16,790	16,790	8,395	7,595	-800	16,846	56	0.33%	
Income	-16,790	-16,790	-4,304	-3,442	862	-16,846	-56	0.33%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>4,091</b>	<b>4,153</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure</b>	<b>11,310</b>	<b>12,747</b>	<b>10,059</b>	<b>15,340</b>	<b>5,281</b>	<b>12,150</b>	<b>-598</b>	<b>-4.69%</b>	

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Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	

Service Area: GSC Childrens Social Care

Vote: G49 Childrens Social Care M&A

Expenditure	153	153	77	78	1	193	40	26.14%
Income	0	0	0	0	0	0	0	0.00%
<b>Net Expenditure</b>	<b>153</b>	<b>153</b>	<b>77</b>	<b>78</b>	<b>1</b>	<b>193</b>	<b>40</b>	<b>26.14%</b>

Vote: G50 Child Protection & Reviewing

Expenditure	2,489	2,489	1,245	1,141	-104	2,763	273	10.97%	Additional staffing costs over core structure and legislative growth in Family Group conference costs
Income	0	0	0	-37	-37	-75	-75	0.00%	
<b>Net Expenditure</b>	<b>2,489</b>	<b>2,489</b>	<b>1,245</b>	<b>1,104</b>	<b>-141</b>	<b>2,688</b>	<b>198</b>	<b>7.96%</b>	

Vote: G51 Childrens Res M&A

Expenditure	801	801	401	453	52	1,003	202	25.22%	Spend against additional Adoption Reform Grant
Income	0	0	0	0	0	-185	-185	0.00%	Additional Adoption Reform Grant
<b>Net Expenditure</b>	<b>801</b>	<b>801</b>	<b>401</b>	<b>453</b>	<b>52</b>	<b>818</b>	<b>17</b>	<b>2.12%</b>	

Vote: G52 Childrens Res Residential

Expenditure	1,823	1,823	903	808	-95	1,823	0	0.00%
Income	0	0	0	0	0	0	0	0.00%
<b>Net Expenditure</b>	<b>1,823</b>	<b>1,823</b>	<b>903</b>	<b>808</b>	<b>-95</b>	<b>1,823</b>	<b>0</b>	<b>0.00%</b>

Vote: G53 Childrens Res Family Placement

Expenditure	2,929	2,929	1,465	1,259	-206	3,020	91	3.11%
Income	-160	-160	-80	-52	28	-223	-63	39.38%
<b>Net Expenditure</b>	<b>2,769</b>	<b>2,769</b>	<b>1,385</b>	<b>1,207</b>	<b>-178</b>	<b>2,797</b>	<b>28</b>	<b>1.01%</b>

Vote: G54 Childrens Res Commissioning

Expenditure	14,272	14,459	7,229	7,328	99	14,621	162	1.12%	Children Looked After numbers high but slightly reducing.
Income	-294	-480	-93	0	93	-545	-64	13.33%	
<b>Net Expenditure</b>	<b>13,978</b>	<b>13,979</b>	<b>7,136</b>	<b>7,328</b>	<b>192</b>	<b>14,076</b>	<b>98</b>	<b>0.70%</b>	

Vote: G55 Children Looked After GF

Expenditure	2,199	2,199	1,099	1,016	-83	2,388	189	8.59%	Cost of using agency staff
Income	0	0	0	0	0	0	0	0.00%	
<b>Net Expenditure</b>	<b>2,199</b>	<b>2,199</b>	<b>1,099</b>	<b>1,016</b>	<b>-83</b>	<b>2,388</b>	<b>189</b>	<b>8.59%</b>	

Vote: G56 Leaving Care

Expenditure	2,440	2,440	1,211	1,151	-60	2,717	277	11.35%	Additional care leaver costs and vacancy target not being met
Income	-29	-29	-15	-2	13	-43	-14	48.28%	
<b>Net Expenditure</b>	<b>2,411</b>	<b>2,411</b>	<b>1,196</b>	<b>1,149</b>	<b>-47</b>	<b>2,674</b>	<b>263</b>	<b>10.91%</b>	

Vote: G57 Fieldwork Advice & Assessment

Expenditure	5,142	5,142	2,539	2,400	-139	5,454	313	6.09%	Cost of using agency staff (200k). There is also a overspend in the 'No Recourse to Public Funding' Cost Centre (77k)
Income	-187	-187	-93	-56	37	-187	0	0.00%	
<b>Net Expenditure</b>	<b>4,955</b>	<b>4,955</b>	<b>2,446</b>	<b>2,344</b>	<b>-102</b>	<b>5,267</b>	<b>313</b>	<b>6.32%</b>	

Vote: G58 Children with Disabilities

Expenditure	4,666	4,666	2,333	2,260	-73	4,782	117	2.51%
Income	0	0	0	-7	-7	-113	-113	0.00%
<b>Net Expenditure</b>	<b>4,666</b>	<b>4,666</b>	<b>2,333</b>	<b>2,253</b>	<b>-80</b>	<b>4,669</b>	<b>4</b>	<b>0.09%</b>

Vote: G59 Emergency Duty Team

Expenditure	407	407	203	209	6	441	34	8.35%
Income	-22	-22	-11	0	11	-22	0	0.00%
<b>Net Expenditure</b>	<b>385</b>	<b>385</b>	<b>192</b>	<b>209</b>	<b>17</b>	<b>419</b>	<b>34</b>	<b>8.83%</b>

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September 2014	Education, Social Care & Wellbeing	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Vote: G60 Youth Offending Service</b>										
	Expenditure	1,954	1,954	977	816	-161	2,024	70	3.58%	Staff salary costs on the unfunded Early Intervention Project
	Income	-787	-787	-394	-13	381	-711	76	-9.66%	
	<b>Net Expenditure</b>	<b>1,167</b>	<b>1,167</b>	<b>583</b>	<b>803</b>	<b>220</b>	<b>1,313</b>	<b>146</b>	<b>12.51%</b>	
<b>Vote: G61 Children with Mental Health</b>										
	Expenditure	1,363	1,363	682	562	-120	1,413	50	3.67%	Cost of using agency staff
	Income	-34	-34	-17	0	17	-36	-3	8.82%	
	<b>Net Expenditure</b>	<b>1,329</b>	<b>1,329</b>	<b>665</b>	<b>562</b>	<b>-103</b>	<b>1,377</b>	<b>47</b>	<b>3.54%</b>	
<b>Vote: G62 Attendance &amp; Welfare Serv GF</b>										
	Expenditure	2,222	2,222	1,111	875	-236	2,272	51		Central recharges £324k not posted; budget to date is for nearly 5
	Income	-975	-975	-488	-921	-433	-1,032	-56		2.30% months, 4 months salaries posted.
	<b>Net Expenditure</b>	<b>1,247</b>	<b>1,247</b>	<b>623</b>	<b>-46</b>	<b>-669</b>	<b>1,240</b>	<b>-5</b>	<b>-0.40%</b>	5.74% Timing of Schools SLA invoicing
<b>Vote: H57 Family Support &amp; Protection</b>										
	Expenditure	4,318	4,318	2,159	2,148	-11	3,051	-1,267	-29.34%	
	Income	-8	-8	-4	0	4	-110	-102	1275.00%	
	<b>Net Expenditure</b>	<b>4,310</b>	<b>4,310</b>	<b>2,155</b>	<b>2,148</b>	<b>-7</b>	<b>2,941</b>	<b>-1,369</b>	<b>-31.76%</b>	
<b>Vote: H63 Family Intervention Service</b>										
	Expenditure	3,062	3,062	1,531	1,347	-184	3,219	157	5.13%	Tackling Troubled Families grant which is drawn-down at year end
	Income	-2,591	-2,591	-1,296	-301	995	-2,748	-157	6.06%	
	<b>Net Expenditure</b>	<b>471</b>	<b>471</b>	<b>235</b>	<b>1,046</b>	<b>811</b>	<b>471</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>45,153</b>	<b>45,154</b>	<b>22,674</b>	<b>22,462</b>	<b>-212</b>	<b>45,154</b>	<b>3</b>	<b>0.01%</b>	
<b>Service Area: GSH Schools</b>										
<b>Vote: G03 Pre-Primary Schs Serv GF</b>										
	Expenditure	217	217	0	0	0	217	0	0.00%	
	<b>Net Expenditure</b>	<b>217</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>217</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G05 Primary Schools Services GF</b>										
	Expenditure	6,074	6,074	0	0	0	6,074	0	0.00%	
	<b>Net Expenditure</b>	<b>6,074</b>	<b>6,074</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,074</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G07 Secondary Schools Services GF</b>										
	Expenditure	5,894	5,894	101	222	121	5,894		0.00%	
	<b>Net Expenditure</b>	<b>5,894</b>	<b>5,894</b>	<b>101</b>	<b>222</b>	<b>121</b>	<b>5,894</b>	<b>0</b>	<b>0.00%</b>	
<b>Vote: G09 Special Schools Services GF</b>										
	Expenditure	1,581	1,581	0	0	0	1,581	0	0.00%	
	<b>Net Expenditure</b>	<b>1,581</b>	<b>1,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,581</b>	<b>0</b>	<b>0.00%</b>	
	<b>Net Expenditure</b>	<b>13,766</b>	<b>13,766</b>	<b>101</b>	<b>222</b>	<b>121</b>	<b>13,766</b>	<b>0</b>	<b>0.00%</b>	
<b>Net Expenditure Fund Type: GEN</b>		<b>217,604</b>	<b>219,475</b>	<b>107,073</b>	<b>95,993</b>	<b>-11,080</b>	<b>221,366</b>	<b>1,891</b>	<b>0.86%</b>	
<b>Net Expenditure for Education, Social Care &amp; Wellbeing</b>		<b>217,604</b>	<b>219,475</b>	<b>245,574</b>	<b>175,530</b>	<b>-70,044</b>	<b>221,366</b>	<b>1,891</b>	<b>0.86%</b>	

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Corporate Monthly Budget Monitoring		Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
September 2014	Resource Services	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Fund Type: GEN General Fund Account</b>										
<b>Service Area: R10 Director of Resources</b>										
<b>Vote: R80 Director's Office</b>										
	Expenditure	660	710	355	373	18	710	0	0.0%	
	Income	-654	-709	-354	-354	0	-709	0	0.0%	
	<b>Net Expenditure</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	
	<b>Net Expenditure</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	
<b>Service Area: R11 Customer Access</b>										
<b>Vote: R50 Customer Access</b>										
	Expenditure	4,499	4,271	2,135	1,994	-141	4,157	-114	-2.7%	
	Income	-2,119	-2,119	-1,059	-602	457	-1,907	212	-10.0%	A reduction in the level of recharges to CLC due to decrease in demand for out of hours service.
	<b>Net Expenditure</b>	<b>2,380</b>	<b>2,152</b>	<b>1,076</b>	<b>1,392</b>	<b>316</b>	<b>2,250</b>	<b>98</b>	<b>4.6%</b>	
	<b>Net Expenditure</b>	<b>2,380</b>	<b>2,152</b>	<b>1,076</b>	<b>1,392</b>	<b>316</b>	<b>2,250</b>	<b>98</b>	<b>4.6%</b>	
<b>Service Area: R12 Corporate Finance</b>										
<b>Vote: R30 Financial Systems and Transactions</b>										
	Expenditure	1,294	1,723	862	841	-21	1,723	0	0.0%	
	Income	-14	-1,722	-861	-858	3	-1,722	0	0.0%	
	<b>Net Expenditure</b>	<b>1,280</b>	<b>1</b>	<b>1</b>	<b>-17</b>	<b>-18</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R32 Corporate Finance</b>										
	Expenditure	2,766	2,655	1,327	1,224	-103	3,415	760	28.6%	Variance is additional cost of Agency Staff
	Income	-2,360	-2,404	-1,202	-1,057	145	-3,164	-760	31.6%	Additional 'Invest to Save' funding
	<b>Net Expenditure</b>	<b>406</b>	<b>251</b>	<b>125</b>	<b>167</b>	<b>42</b>	<b>251</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R82 Non-distributed costs</b>										
	Expenditure	-346	-384	-192	8	200	-461	-77	20.1%	
	<b>Net Expenditure</b>	<b>-346</b>	<b>-384</b>	<b>-192</b>	<b>8</b>	<b>200</b>	<b>-461</b>	<b>-77</b>	<b>20.1%</b>	
	<b>Net Expenditure</b>	<b>1,340</b>	<b>-132</b>	<b>-66</b>	<b>158</b>	<b>224</b>	<b>-209</b>	<b>-77</b>	<b>58.3%</b>	
<b>Service Area: R13 Human Resources</b>										
<b>Vote: R90 HR Strategy</b>										
	Expenditure	921	933	466	396	-70	933	0	0.0%	
	Income	-909	-876	-438	-438	0	-876	0	0.0%	
	<b>Net Expenditure</b>	<b>12</b>	<b>57</b>	<b>28</b>	<b>-42</b>	<b>-70</b>	<b>57</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R92 HR Consultancy</b>										
	Expenditure	1,769	1,729	864	796	-68	1,729	0	0.0%	
	Income	-1,486	-1,728	-864	-845	19	-1,728	0	0.0%	
	<b>Net Expenditure</b>	<b>283</b>	<b>1</b>	<b>0</b>	<b>-49</b>	<b>-49</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R94 HR Operations</b>										
	Expenditure	4,539	4,604	2,302	2,686	384	4,554	-50	-1.1%	
	Income	-4,338	-4,600	-2,300	-2,759	-459	-4,600	0	0.0%	
	<b>Net Expenditure</b>	<b>201</b>	<b>4</b>	<b>2</b>	<b>-73</b>	<b>-75</b>	<b>-46</b>	<b>-50</b>	<b>1.7%</b>	
<b>Vote: R96 PAS Scheme</b>										
	Expenditure	1,094	1,492	746	607	-139	1,492	0	0.0%	
	Income	-1,057	-1,491	-745	-625	120	-1,491	0	0.0%	
	<b>Net Expenditure</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>-18</b>	<b>-19</b>	<b>1</b>	<b>0</b>	<b>-4.0%</b>	
	<b>Net Expenditure</b>	<b>533</b>	<b>63</b>	<b>31</b>	<b>-182</b>	<b>-213</b>	<b>13</b>	<b>-50</b>	<b>-79.4%</b>	



Corporate Monthly Budget Monitoring

September 2014

Resource Services

	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: R14 ICT</b>									
<b>Vote: R48 Information Services ICT</b>									
Expenditure	10,911	10,898	5,449	5,131	-318	11,177	279	2.6%	Variance to date relates to incorrect posting which will be resolved at year end. Projected spend above base budget relates to Windows XP and PSN project costs which will be funded from Earmarked Reserves. Drawdown of Earmarked Reserves to be processed.
Income	-10,809	-10,817	-5,408	-5,127	281	-11,107	-290	2.7%	
<b>Net Expenditure</b>	<b>102</b>	<b>81</b>	<b>41</b>	<b>4</b>	<b>-37</b>	<b>70</b>	<b>-11</b>	<b>-13.6%</b>	
<b>Vote: R70 ICT Client Team</b>									
Expenditure	654	616	308	296	-12	656	40	6.5%	
Income	-649	-616	-308	-308	0	-616	0	0.0%	
<b>Net Expenditure</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-12</b>	<b>-12</b>	<b>40</b>	<b>40</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>107</b>	<b>81</b>	<b>41</b>	<b>-8</b>	<b>-49</b>	<b>110</b>	<b>29</b>	<b>35.8%</b>	
<b>Service Area: R15 Revenue Services</b>									
<b>Vote: R36 Council Tax and NNDR</b>									
Expenditure	38,078	6,034	3,017	3,139	122	6,034	0	0.0%	
Income	-35,706	-3,405	-1,702	-650	1,052	-3,405	0	0.0%	
<b>Net Expenditure</b>	<b>2,372</b>	<b>2,629</b>	<b>1,315</b>	<b>2,489</b>	<b>1,174</b>	<b>2,629</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R37 Crisis &amp; Support Fund</b>									
Expenditure	1,750	1,750	875	609	-266	1,724	-25	-1.4%	
Income	-1,750	-1,750	-875	-862	13	-1,724	25	-1.4%	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-253</b>	<b>-253</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R42 Debtor Income Service</b>									
Expenditure	844	691	345	271	-74	691	0	0.0%	
Income	-904	-690	-345	-339	6	-691	0	0.0%	
<b>Net Expenditure</b>	<b>-60</b>	<b>1</b>	<b>0</b>	<b>-68</b>	<b>-68</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R44 Cashiers</b>									
Expenditure	292	305	152	281	129	305	0	0.0%	
Income	-290	-305	-152	-113	39	-305	0	0.0%	
<b>Net Expenditure</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>168</b>	<b>168</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>2,314</b>	<b>2,630</b>	<b>1,315</b>	<b>2,336</b>	<b>1,021</b>	<b>2,629</b>	<b>0</b>	<b>0.0%</b>	
<b>Service Area: R16 Procurement</b>									
<b>Vote: R38 Procurement</b>									
Expenditure	772	748	374	436	62	748	0	0.0%	
Income	-961	-747	-374	-377	-3	-747	0	0.0%	
<b>Net Expenditure</b>	<b>-189</b>	<b>1</b>	<b>0</b>	<b>59</b>	<b>59</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R46 Payments</b>									
Expenditure	101	0	0	0	0	0	0	0.0%	
Income	-448	0	0	0	0	0	0	0.0%	
<b>Net Expenditure</b>	<b>-347</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>-536</b>	<b>1</b>	<b>0</b>	<b>59</b>	<b>59</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>	

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Resource Services

	Budget Original	Budget Current	Budget To Date	Actuals	Variance To Date	Forecast Current	Variance Forecast v. Budget	% Variance Forecast v. Budget	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Service Area: R17 Risk Assessment</b>									
<b>Vote: R34 Internal Audit</b>									
Expenditure	783	816	408	400	-8	1,106	290	35.5%	Additional spend on the Tenancy Fraud Activities will be funded from grant income.
Income	-729	-816	-408	-421	-13	-1,106	-290	35.5%	Grant income for Tenancy Fraud Work.
<b>Net Expenditure</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>-21</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R40 Risk Management</b>									
Expenditure	484	493	247	254	7	493	0	0.0%	
Income	-606	-493	-246	-206	40	-493	0	0.0%	
<b>Net Expenditure</b>	<b>-122</b>	<b>0</b>	<b>1</b>	<b>48</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>-68</b>	<b>0</b>	<b>1</b>	<b>27</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Service Area: R19 Benefits</b>									
<b>Vote: R54 Housing Benefit</b>									
Expenditure	249,924	249,924	124,962	130,470	5,508	251,524	1,600	0.6%	Housing Benefits is anticipated to over spend by £1.5m based on original budget. This is due to additional pressure caused by changes in Benefit rules. The service has already received £1m in growth bid in 2013/14. The potential growth requirement is being reviewed.
Income	-249,429	-248,429	-124,215	-138,234	-14,019	-248,429	0	0.0%	
<b>Net Expenditure</b>	<b>495</b>	<b>1,495</b>	<b>747</b>	<b>-7,764</b>	<b>-8,511</b>	<b>3,095</b>	<b>1,600</b>	<b>107.0%</b>	
<b>Vote: R58 Housing Benefit Administration</b>									
Expenditure	6,698	6,417	3,208	3,235	27	6,417	0	0.0%	
Income	-6,217	-6,217	-3,108	-3,526	-418	-6,217	0	0.0%	
<b>Net Expenditure</b>	<b>481</b>	<b>200</b>	<b>100</b>	<b>-291</b>	<b>-391</b>	<b>200</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>976</b>	<b>1,695</b>	<b>847</b>	<b>-8,055</b>	<b>-8,902</b>	<b>3,295</b>	<b>1,600</b>	<b>94.4%</b>	
<b>Service Area: R62 Transformation Projects</b>									
<b>Vote: R62 Business Development</b>									
Expenditure	479	490	244	526	282	736	246	50.2%	Additional 'Invest to save' expenditure on the Councils savings programme - will be funded from earmarked reserves (efficiency reserve).
Income	0	0	0	-85	-85	-245	-246	0.0%	Drawdown from Efficiency Reserve to be processed
<b>Net Expenditure</b>	<b>479</b>	<b>490</b>	<b>244</b>	<b>441</b>	<b>197</b>	<b>491</b>	<b>0</b>	<b>0.0%</b>	
<b>Vote: R78 Replacement of JDE</b>									
Expenditure	0	0	0	-2,001	-2,001	0	0	0.0%	Credits relates finance to system cost which are subject to a phased payment plan
Income	0	0	0	-760	-760	0	0	0.0%	Drawdown from finance transformation reserve to fund finance improvement works
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,761</b>	<b>-2,761</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>479</b>	<b>490</b>	<b>244</b>	<b>-2,320</b>	<b>-2,564</b>	<b>491</b>	<b>0</b>	<b>0.0%</b>	
<b>Service Area: R99 Rechargeable Works</b>									
<b>Vote: R60 Reprographics</b>									
Expenditure	472	466	233	252	19	466	0	0.0%	
Income	-470	-466	-233	-155	78	-466	0	0.0%	
<b>Net Expenditure</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>97</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>97</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Net Expenditure Fund Type: GEN</b>	<b>7,533</b>	<b>6,981</b>	<b>3,490</b>	<b>-6,477</b>	<b>-9,967</b>	<b>8,581</b>	<b>1,600</b>	<b>22.9%</b>	
<b>Net Expenditure for Resource Services</b>	<b>7,533</b>	<b>6,981</b>	<b>3,490</b>	<b>-6,477</b>	<b>-9,967</b>	<b>8,581</b>	<b>1,600</b>	<b>22.9%</b>	

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Corporate Monthly Budget Monitoring		Original Budget	Current Budget	Budget to Date	Hard Comms	Actuals	Variance to Date	Current Forecast	Variance Current Forecast v. Current Budget	% Variance Current Forecast v. Current Budget	Explanation of any variance that is considered to be significant and all variances greater than £100k
September 2014	HRA	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Service Area: HRA Housing Revenue Account											
<b>INCOME</b>											
<b>DIRECTLY CONTROLLED INCOME BUDGETS</b>											
Dwelling & Non Dwelling Rents											
	Income	-72,438	-72,438	-36,219	0	-36,086	-133	-71,713	725	-1.00%	It is forecast that rental income will be lower than budgeted due to a higher than previously assumed level of Right to Buy sales; when setting this budget it was assumed that 100 Right to Buy sales would take place in 2014/15; as at the end of September 2014, 101 sales had taken place and the forecast now assumes that there will be 200 sales in 2014/15. In addition, the level of voids is slightly higher than assumed in the budget. <b>RISK:</b> If more than 200 Right to Buy sales take place in 2014/15 then rental income could be lower than currently projected.
	Net Expenditure	-72,438	-72,438	-36,219	0	-36,086	-133	-71,713	725	-1.0%	
<b>Tenant &amp; Leaseholder Service Charges</b>											
	Income	-17,901	-17,901	-14,605	0	-14,566	-39	-17,907	-6	0.03%	
	Net Expenditure	-17,901	-17,901	-14,605	0	-14,566	-39	-17,907	-6	0.0%	
<b>INDIRECTLY CONTROLLED INCOME BUDGETS</b>											
Investment Income Received											
	Income	-168	-168	-80	0	0	80	-164	4	-2.38%	
	Net Expenditure	-168	-168	-80	0	0	80	-164	4	-2.4%	
<b>Contributions Towards Expenditure</b>											
	Income	-115	-115	-58	0	0	58	-115	0	0.00%	
	Net Expenditure	-115	-115	-58	0	0	58	-115	0	0.0%	
<b>TOTAL INCOME</b>		<b>-90,622</b>	<b>-90,622</b>	<b>-50,962</b>	<b>0</b>	<b>-50,652</b>	<b>-34</b>	<b>-89,899</b>	<b>723</b>		

Corporate Monthly Budget Monitoring		Original Budget	Current Budget	Budget to Date	Hard Comms	Actuals	Variance to Date	Current Forecast	Variance Current Forecast v. Current Budget	% Variance Current Forecast v. Current Budget	Explanation of any variance that is considered to be significant and all variances greater than £100k
September 2014	HRA	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>EXPENDITURE</b>											
<b>DIRECTLY CONTROLLED EXPENDITURE BUDGETS</b>											
<b>Repair &amp; Maintenance</b>											
	Expenditure	22,388	22,388	11,057	0	10,128	-929	22,233	-155	-0.69%	
	<b>Net Expenditure</b>	<b>22,388</b>	<b>22,388</b>	<b>11,057</b>	<b>0</b>	<b>10,128</b>	<b>-929</b>	<b>22,233</b>	<b>-155</b>	<b>-0.7%</b>	
Supervision & Management	Expenditure	22,004	22,004	11,277	0	11,104	-173	21,525	-479	-2.18%	The 2014/15 budget included a sum of £1.3m in respect of additional costs due to an increase in employer pension contributions, however, current forecasts indicate that the actual increase in costs will be lower than this. In addition, it is forecast that supervision and management costs will be lower than budgeted.
	<b>Net Expenditure</b>	<b>22,004</b>	<b>22,004</b>	<b>11,277</b>	<b>0</b>	<b>11,104</b>	<b>-173</b>	<b>21,525</b>	<b>-479</b>	<b>-2.2%</b>	
Special Services, Rents, Rates & Taxes	Expenditure	15,746	15,746	7,087	0	5,921	-1,166	14,805	-941	-5.98%	It is currently forecast that there will be an underspend on the energy budget although this budget will be closely monitored.
	<b>Net Expenditure</b>	<b>15,746</b>	<b>15,746</b>	<b>7,087</b>	<b>0</b>	<b>5,921</b>	<b>-1,166</b>	<b>14,805</b>	<b>-941</b>	<b>-6.0%</b>	
<b>INDIRECTLY CONTROLLED EXPENDITURE BUDGETS</b>											
<b>Provision for Bad Debts</b>											
	Expenditure	1,400	1,400	700	0	0	-700	1,400	0	0.00%	This budget was increased in order to mitigate against the risk that bad debt would increase due to welfare reform, but due to delays in implementing some of the reforms it is currently anticipated that the full level of provision will not be needed in 2014/15. However, the final position will not be known until the end of the year when the bad debt provision is calculated.
	<b>Net Expenditure</b>	<b>1,400</b>	<b>1,400</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>-700</b>	<b>1,400</b>	<b>0</b>	<b>0.0%</b>	
<b>Capital Financing Charges</b>											
	Expenditure	29,084	29,084	14,542	0	0	0	29,084	0	0.00%	
	<b>Net Expenditure</b>	<b>29,084</b>	<b>29,084</b>	<b>14,542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,084</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURE</b>		<b>90,622</b>	<b>90,622</b>	<b>44,663</b>	<b>0</b>	<b>27,153</b>	<b>-2,968</b>	<b>89,047</b>	<b>-1,575</b>	<b>-1.7%</b>	
Contribution from Reserves		0	0	0	0	0	0	0	0	0.00%	
<b>TOTAL HRA</b>		<b>0</b>	<b>0</b>	<b>-6,300</b>	<b>0</b>	<b>-23,500</b>	<b>-3,003</b>	<b>-852</b>	<b>-852</b>		

## Capital Monitoring Q2

	All Years		In Year - 14/15					FY Total	All Years	
	Approved Budget	Spend to 31st March 2014	Revised Budget 14/15	Spent to Q2	Projected Spend	Projected Variance	Spend (%)	Budget	Projected Spend	Variance
	£m	£m	£m	£m	£m	£m	%	£m	£m	£m
Education, Social Care and Wellbeing	103.019	51.410	22.329	7.795	22.165	-0.164	35%	29.280	103.019	0.000
Communities, Localities and Culture	72.079	53.707	10.896	2.207	10.897	0.001	20%	7.475	72.079	0.000
Development & Renewal	34.788	12.540	20.217	7.945	19.089	-1.128	39%	2.030	34.788	0.000
Building Schools for the Future	325.531	319.459	6.073	5.574	6.073	0.000	92%	0.000	325.531	0.000
Corporate	364.242	121.417	126.214	21.423	115.546	-10.668	17%	116.611	364.242	0.000
	12.000	0.000	12.000	0.000	12.000	0.000	0%	0.000	12.000	0.000
<b>Grand Total</b>	<b>911.659</b>	<b>558.533</b>	<b>197.729</b>	<b>44.944</b>	<b>185.770</b>	<b>-11.959</b>	<b>23%</b>	<b>155.396</b>	<b>911.659</b>	<b>0.000</b>

Quarter 2 Capital Monitoring 2014-15

All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years			
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %	
A	B	C	D	E	E-C	D/C			F	G	H = F+G	I	I-A	%	
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%	
<b>Education, Social Care and Wellbeing (ESCW)</b>															
Mental health services	0.387	0.107	-	0.280	0.010	0.110	-0.170	4%	ICT Project reconsidered - options under review	-	-	-	0.387	-	0%
E-Marketplace purchase and delivery	0.074	-	-	0.074	0.051	0.074	-	69%		-	-	-	0.074	-	0%
Tele Care/Telehealth Equipment	0.300	0.088	0.100	0.212	-	0.212	-	0%		-	-	-	0.300	-	0%
Ronald Street Roof Replacement	0.051	0.051	-	-	-	-	-	N/A		-	-	-	0.051	-	0%
Development of Learning Disability Hubs	0.478	-	0.080	0.478	0.050	0.478	-	11%		-	-	-	0.478	-	0%
<b>ADULTS TOTAL</b>	<b>1.290</b>	<b>0.246</b>	<b>0.180</b>	<b>1.044</b>	<b>0.112</b>	<b>0.874</b>	<b>-0.170</b>	<b>11%</b>		-	-	-	<b>1.290</b>	-	<b>0%</b>
Condition & Improvement	3.610	2.210	3.500	1.400	0.157	1.402	0.002	11%		-	-	-	3.609	-	0%
Bishop Culliner - Community Facilities	0.600	-	-	0.600	-	0.600	-	0%		-	-	-	0.600	-	0%
Universal Free School Meals - Kitchen Upgrade	0.275	-	-	0.275	0.032	0.275	-	12%		-	-	-	0.275	-	0%
Basic Need/Expansion	89.221	42.513	24.224	17.428	7.159	17.429	0.001	41%		19.200	10.080	29.280	89.221	-	0%
Sure Start	0.848	0.842	-	0.006	0.010	0.010	0.004	163%	Settlement of Final Account	-	-	-	0.848	-	0%
Primary Capital Programme	4.748	4.650	-	0.097	0.001	0.097	-0.000	1%		-	-	-	4.747	-	0%
Lukin St - Land purchase from Network Rail	0.820	0.820	-	-	-	-	-	N/A		-	-	-	0.820	-	0%
Swanley School (Crossrail funded)	0.350	-	-	0.350	0.250	0.350	-	71%		-	-	-	0.350	-	0%
RCCO	0.010	-	-	0.010	-	0.010	-	0%		-	-	-	0.010	-	0%
Youth Service ( BMX Mile End )	0.042	0.036	-	0.006	-	0.006	-0.000	0%		-	-	-	0.042	-	0%
Provision for 2yr Olds	1.207	0.094	0.707	1.113	0.075	1.113	-0.000	7%		-	-	-	1.207	-	0%
<b>ESCW TOTAL</b>	<b>103.019</b>	<b>51.410</b>	<b>28.611</b>	<b>22.329</b>	<b>7.795</b>	<b>22.165</b>	<b>-0.163</b>	<b>35%</b>		<b>19.200</b>	<b>10.080</b>	<b>29.280</b>	<b>103.019</b>	-	<b>0%</b>

All Years		In Year - 14/15							Future Years (FY)			FY Total			All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %			
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	%			
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%			
<b>Communities, Localities &amp; Culture</b>																	
<b>Transport</b>																	
TfL schemes including safety, cycling and walking	16.083	10.603	3.889	2.080	0.539	2.080	0.000	26%		3.399	-	3.399	16.082	-	0%		
Public Realm improvements	0.949	0.465	-	0.484	0.006	0.484	-0.000	1%		-	-	-	0.949	-	0%		
Bartlett Park Masterplan - Highways	1.732	0.032	1.382	-	-	-	-	N/A		1.700	-	1.700	1.732	-	0%		
Highway improvement programme	3.078	2.078	1.000	1.000	0.513	1.000	-	51%		-	-	-	3.078	-	0%		
Developers Contribution	5.629	2.218	0.829	2.405	0.336	2.405	0.000	14%		1.006	-	1.006	5.629	-	0%		
OPTEMS	0.837	0.306	0.500	0.331	0.173	0.331	-0.000	52%		0.200	-	0.200	0.837	-	0%		
Hackney wick & Fish Island improvements	0.191	0.191	-	-	-	-	-	N/A		-	-	-	0.191	-	0%		
<b>Transport Total</b>	<b>28.499</b>	<b>15.894</b>	<b>7.600</b>	<b>6.300</b>	<b>1.567</b>	<b>6.300</b>	<b>-0.000</b>	<b>25%</b>		<b>6.305</b>	<b>-</b>	<b>6.305</b>	<b>28.499</b>	<b>-</b>	<b>0%</b>		
<b>Parks</b>																	
Millwall Park/Island Gardens	0.206	0.203	-	0.003	-	0.003	-0.000	0%		-	-	-	0.206	-	0%		
Poplar Park	0.200	0.161	-	0.040	0.004	0.040	0.000	11%		-	-	-	0.200	-	0%		
Schoolhouse Lane Multi Use Ball Games Area	0.100	0.093	-	0.007	-	0.007	0.000	0%		-	-	-	0.100	-	0%		
Victoria Park Masterplan	9.997	9.997	-	-	-0.017	-	-	N/A		-	-	-	9.997	-	0%		
Victoria Park sports hub	2.486	0.330	2.000	2.156	0.027	2.156	-	1%		-	-	-	2.486	-	0%		
Victoria Park - Changing Block Extension & Upgrade	0.354	0.354	-	-	-	-	-	N/A		-	-	-	0.354	-	0%		
Pennyfields	0.045	0.045	-	-	-	-	-	N/A		-	-	-	0.045	-	0%		
Christ Church Gardens	0.350	-	-	-	-	-	-	N/A		0.350	-	0.350	0.350	-	0%		
Mile End Hedge	0.165	0.031	-	0.134	0.056	0.134	0.000	42%		-	-	-	0.165	-	0%		
Trees - Boroughwide	0.018	0.018	-	-	-	-	-	N/A		-	-	-	0.018	-	0%		
Conversion of Lawn area to York stone paving	0.055	-	-	0.055	-	0.055	-	0%		-	-	-	0.055	-	0%		
Cemetery Lodge	0.071	-	-	0.071	-	0.071	0.000	0%		-	-	-	0.071	-	0%		
<b>Parks Total</b>	<b>14.047</b>	<b>11.232</b>	<b>2.000</b>	<b>2.465</b>	<b>0.070</b>	<b>2.466</b>	<b>0.001</b>	<b>3%</b>		<b>0.350</b>	<b>-</b>	<b>0.350</b>	<b>14.047</b>	<b>-</b>	<b>0%</b>		

All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	%
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%
<b>Culture and major projects</b>														
Brady Centre	0.245	0.244	-	0.001	-	0.001	-	0%	-	-	-	0.245	-	0%
Tennis courts	0.116	0.104	-	0.012	-	0.012	-	0%	-	-	-	0.116	-	0%
Mile End Leisure Centre - Security Enhancements	0.200	0.198	-	0.002	-	0.002	-	0%	-	-	-	0.200	-	0%
Bartlett Park	0.056	0.054	-	0.002	-	0.002	0.000	0%	-	-	-	0.056	-	0%
Mile End Stadium Track resurfacing	0.376	0.245	-	0.131	-	0.131	-	0%	-	-	-	0.376	-	0%
Public Art Projects	0.250	0.011	-	0.239	-	0.239	-0.000	0%	-	-	-	0.250	-	0%
Mile End Park Capital	0.219	0.145	-	0.074	0.049	0.074	-	67%	-	-	-	0.219	-	0%
Bancroft Library Phase 2b	0.645	0.449	-	0.052	-	0.052	0.000	0%	0.145	-	0.145	0.645	-	0%
Watney Market Ideas Store	4.401	4.344	-	0.057	0.038	0.057	0.000	67%	-	-	-	4.401	-	0%
Watney Market Landscaping	0.235	0.228	-	0.007	-0.034	0.007	-	-484%	-	-	-	0.235	-	0%
Culture - LPP	0.254	0.246	-	0.008	-	0.008	-	0%	-	-	-	0.254	-	0%
Major Projects - LPP	18.067	18.058	-	0.009	-	0.009	-	0%	-	-	-	18.067	-	0%
St Georges Pool	0.106	-	-	0.106	0.005	0.106	-	5%	-	-	-	0.106	-	0%
Brick Lane Mural	0.045	-	0.045	0.045	-	0.045	-	0%	-	-	-	0.045	-	0%
Banglatown Art Trail & Arches	2.021	1.485	-	0.286	-0.023	0.286	-0.000	-8%	0.250	-	0.250	2.021	-	0%
Provision of an outdoor gym	0.025	-	-	0.025	0.025	0.025	0.000	102%	-	-	-	0.025	-	0%
Stepney Green Astro Turf	0.450	0.009	-	0.442	0.417	0.442	-	94%	-	-	-	0.451	-	0%
John Orwell Sports Centre	0.296	-	-	0.296	0.088	0.296	-	30%	-	-	-	0.296	-	0%
St. John's Gardens Tennis Courts	0.070	-	-	0.070	-	0.070	-	0%	-	-	-	0.070	-	0%
<b>Culture and Major projects total</b>	<b>28.077</b>	<b>25.819</b>	<b>0.045</b>	<b>1.864</b>	<b>0.566</b>	<b>1.864</b>	<b>-0.000</b>	<b>30%</b>	<b>0.395</b>	<b>-</b>	<b>0.395</b>	<b>28.078</b>	<b>-</b>	<b>0%</b>



All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%
<b>Other</b>														
CCTV Improvement and Enhancement	0.601	0.422	0.128	0.179	0.004	0.179	0.000	2%	-	-	-	0.601	-	0%
Generators @ Mulberry Place & Anchorage House	0.250	0.241	-	0.009	-	0.009	- 0.000	0%	-	-	-	0.250	-	0%
Essential Health & Safety	0.281	0.018	0.250	-	-	-	-	N/A	0.263	-	0.263	0.281	-	0%
Contaminated land survey and works	0.323	0.082	0.242	0.079	-	0.079	0.000	0%	0.163	-	0.163	0.323	-	0%
Other Total	1.455	0.762	0.620	0.267	0.004	0.267	0.000	2%	0.426	-	0.426	1.455	-	0%
<b>CLC TOTAL</b>	<b>72.079</b>	<b>53.707</b>	<b>10.265</b>	<b>10.896</b>	<b>2.207</b>	<b>10.897</b>	<b>0.001</b>	<b>20%</b>	<b>7.475</b>	<b>-</b>	<b>7.475</b>	<b>72.079</b>	<b>-</b>	<b>0%</b>

All Years		In Year - 14/15							Future Years (FY)			FY Total	All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %	
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	%	
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%	

**Development & Renewal**

Millennium Quarter	0.387	0.061	-	0.326	-	0.326	-	0%	-	-	-	0.387	-	0%
Bishops Square /Bethnal Green Terrace	0.641	0.495	-	0.146	0.043	0.146	-	30%	-	-	-	0.641	-	0%
Town Centre & High Street Regeneration	0.208	0.068	-	0.140	-	0.140	-	0%	-	-	-	0.208	-	0%
Whitechapel Centre	0.067	0.064	-	0.003	-	0.003	-	0%	-	-	-	0.067	-	0%
Regional Housing Pot	7.080	1.012	-	6.068	5.387	6.068	-	89%	-	-	-	7.080	-	0%
High Street 2012	9.133	6.619	-	2.514	0.534	2.514	-	21%	-	-	-	9.133	-	0%
Disabled Facilities Grant	4.429	1.982	0.730	0.967	0.716	0.967	-	74%	0.750	0.730	1.480	4.429	-	0%
Private Sector Improvement Grant	2.650	1.244	0.550	0.856	0.038	0.856	-	4%	0.550	-	0.550	2.650	-	0%
Genesis Housing	0.363	-	-	0.363	0.363	0.363	-	100%	-	-	-	0.363	-	0%
Installation of Automatic Energy Meters	0.092	0.095	-	-0.003	-	-	0.003	0%	-	-	-	0.092	-	0%
Facilities Management (DDA)	0.074	0.022	-	0.052	-	-	-0.052	0%	-	-	-	0.074	-	0%
Multi Faith Burial Grounds	3.000	-	-	3.000	-	3.000	-	0%	A report will be considered by Cabinet in December 2014 making recommendations for a new burial site. If this is approved then the allocated £3m will be spent in 14/15. If the proposal is not approved, then it is unlikely that the £3m will be spent in 14/15.			3.000	-	0%

All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years			
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %	
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A		
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%	
Faith buildings	2.000	0.292	-	1.708	0.135	0.628	-1.080	8%	The Community Faith Buildings Support Scheme was allocated a total of £3m (of which £2m is within the Council's capital programme) which includes an element for management and administration. £600,000 was committed to organisations in Round 1 of the scheme (June 2013) and it is anticipated that this will be fully spent within this financial year. It is expected that decisions on Round 2 will be taken within this financial year - £1.313m has been allocated to this round. Although the funds will be committed it is highly unlikely to be fully spent within the financial year. A maximum of 25% of the Round 2 allocation is likely to be spent within this financial year.	-	-	-	2.000	-	0%
S106 Schemes	4.249	0.170	-	4.078	0.830	4.078	-	20%		-	-	-	4.249	-	0%
Empty Property Initiative -CPO	0.315	0.315	-	0.000	-	0.000	-	0%		-	-	-	0.315	-	0%
Mile End Hospital - Fit out cost primary care facilities	0.100	0.100	-	-	-0.100	-	-	N/A		-	-	-	0.100	-	0%
Dora Hall and Cheadle Hall	-	-	-	-	-	-	-	N/A		-	-	-	-	-	N/A
<b>D&amp;B TOTAL</b>	<b>34.788</b>	<b>12.540</b>	<b>1.280</b>	<b>20.217</b>	<b>7.945</b>	<b>19.089</b>	<b>-1.128</b>	<b>39%</b>		<b>1.300</b>	<b>0.730</b>	<b>2.030</b>	<b>34.788</b>	<b>-</b>	<b>0%</b>

All Years		In Year - 14/15							Future Years (FY)			All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	FY Total	Projected Spend	Variance	Variance %
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	%
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%

### Buildings Schools for the Future

BSF Design and Build Schemes	301.888	300.390	6.829	1.499	4.513	1.499	-	301%		-	-	-	301.888	-	0%
ICT infrastructure schemes	19.860	17.144	4.105	2.716	1.061	2.716	-	39%		-	-	-	19.860	-	0%
Wave 5 BSF (previously LPP)	3.783	1.926	1.857	1.857	-	1.857	-	0%		-	-	-	3.783	-	0%
<b>BSF Total</b>	<b>325.531</b>	<b>319.459</b>	<b>12.791</b>	<b>6.073</b>	<b>5.574</b>	<b>6.073</b>	<b>-</b>	<b>92%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>325.531</b>	<b>-</b>	<b>0%</b>

### Housing Revenue Account

Decent Homes Backlog	184.986	62.836	70.470	73.550	18.099	73.550	-	25%	The five year Decent Homes programme is scheduled to be completed in 2015/16. The scheme is being managed in accordance with GLA grant conditions, with the final grant instalment of £46m to be received this year. The programme has been re-profiled between 2014/15 and 2015/16 to reflect the likely application of the Council's HRA resources.	48.601	-	48.601	184.986	-	0%
Housing Capital Programme	77.128	26.460	9.810	20.668	0.351	10.000	- 10.668	2%	This budget is managed by Tower Hamlets Homes and covers works outside of the on-going Decent Homes programme such as heating, lifts and door entry systems, roofing, windows etc. with investment need assessed by stock condition surveys. Due to the Authority focusing on the Decent Homes programme, the non Decent Homes HRA capital schemes will not commence until Q3 of 2014/15, and therefore it is highly likely that this budget will not fully spend in 2014/15. In the event of an underspend, resources will be carried forward to 2015/16.	15.000	15.000	30.000	77.128	-	0%
Ocean New Deal for Communities	24.056	17.337	-	6.718	1.382	6.718	-	21%		-	-	-	24.056	-	0%
Resources available - Non Decent homes Schemes to be developed	0.010	-	6.120	-	-	-	-	N/A		0.010	-	0.010	0.010	-	0%
Council Housebuilding Initiative	4.061	4.061	-	0.000	-	-	- 0.000	0%		-	-	-	4.061	-	0%
Blackwall Reach	14.419	9.754	-	4.665	0.330	4.665	-	7%		-	-	-	14.419	-	0%
Cotall Street -Demolition	0.008	0.008	-	- 0.000	-	-	0.000	0%		-	-	-	0.008	-	0%
Poplar Baths and Dame Colet House	16.000	-	-	-	-	-	-	N/A		16.000	-	16.000	16.000	-	0%

All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years			
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %	
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A		
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%	
Fuel Poverty and Insulation Works on HRA Properties	4.063	0.700	-	3.363	-	3.363	-	0%		-	-	-	4.063	-	0%
New Affordable Housing at Bradwell St Garages	2.451	0.133	2.206	2.318	0.700	2.318	-	30%		-	-	-	2.451	-	0%
New Affordable Housing -Ashington Estate East	7.750	0.036	7.750	7.714	0.096	7.714	-	1%		-	-	-	7.750	-	0%
New Affordable Housing -Extensions	3.610	0.008	3.610	3.602	0.001	3.602	-	0%		-	-	-	3.610	-	0%
Short Life Properties	1.700	0.084	-	1.616	0.464	1.616	-	29%		-	-	-	1.700	-	0%
D&R Indicative Schemes as agreed at Budget Council	2.000	-	2.000	2.000	-	2.000	-	0%		-	-	-	2.000	-	0%
Watts Grove	22.000	-	-	-	-	-	-	N/A		22.000	-	22.000	22.000	-	0%
<b>HRA Total</b>	<b>364.242</b>	<b>121.417</b>	<b>101.966</b>	<b>126.214</b>	<b>21.423</b>	<b>115.546</b>	<b>- 10.668</b>	<b>17%</b>		<b>101.611</b>	<b>15.000</b>	<b>116.611</b>	<b>364.242</b>	<b>-</b>	<b>0%</b>

All Years		In Year - 14/15							Future Years (FY)		FY Total	All Years		
Approved Budget	Spend to 31st March 2014	Approved Budget [Cabinet February 2014] 14-15	Revised Budget 14/15	Spend to Q2	Projected Spend	Projected Variance	2014/15 Spend (%)	REASONS FOR CURRENT YEAR VARIANCES	15/16	16/17 Onwards	Budget	Projected Spend	Variance	Variance %
A	B		C	D	E	E-C	D/C		F	G	H = F+G	I	I-A	
£m	£m	£m	£m	£m	£m	£m	%		£m	£m	£m	£m	£m	%
Corporate GF provision for Schemes under development	12.000	-	12.000	12.000	-	12.000	-	0%	-	-	-	12.000	-	0%
<b>Corporate Total</b>	<b>12.000</b>	<b>-</b>	<b>12.000</b>	<b>12.000</b>	<b>-</b>	<b>12.000</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.000</b>	<b>-</b>	<b>0%</b>
<b>Total</b>	<b>911.659</b>	<b>558.533</b>	<b>166.912</b>	<b>197.729</b>	<b>44.944</b>	<b>185.770</b>	<b>- 11.959</b>	<b>0.227</b>	<b>129.586</b>	<b>25.810</b>	<b>155.397</b>	<b>911.659</b>	<b>-</b>	<b>0.0%</b>

**Request for Adoption of Capital Estimate - Proposed Works at White Horse 1 o'Clock Club**

1. The Early Years service of ESCW occupies the White Horse 1 o'clock club, E1 0ND. It is one of the delivery sites in the Ocean Children's Centre (CC) locality. The CCs deliver a range of services for families with children under 5. These include educational psychologist, family support, educational activities, support in accessing the 2 year old funded places, training, volunteering and employment support.
2. As part of the service challenge process, the Early Years service is proposing to make better use of some existing sites. Both the Commodore Street and White Horse sites are currently under-utilised because of staffing difficulties in covering the sites in the locality. It is proposed to relocate services from Commodore Street to White Horse so there will be greater staff capacity to deliver more sessions and support for disadvantaged and vulnerable families. It will create a hub for families in the area. The relocation will then enable Commodore Street to be used for delivery of places for 2 year olds.
3. The government has set targets for each local authority to create places for vulnerable and disadvantaged 2 year old children. Tower Hamlets has a target of 2,300 places by September 2015. This is a statutory duty. The Commodore site could provide 180 places in an area that has limited provision and high levels of poverty. This service will work in conjunction with Harry Roberts nursery school and children's centre to meet government targets and to meet the needs of the local families, support transition and school readiness.
4. It is proposed to fund the works to White Horse 1 o'clock club from the capital grant for provision of early education for disadvantaged 2 year olds.
5. It is recommended that a capital estimate of £275,000 is adopted to fund the works to White Horse 1 o'clock club.
6. It is recommended that the works to White Horse 1 o'clock club are procured using a suitable pre-tendered framework, in accordance with the Council's procurement procedures.

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<b>A Great Place to Live</b>					
Strategic Priority 1.1: Provide good quality affordable housing					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Increase the availability of affordable family sized housing	Cllr Rabina Khan Jackie Odunoye (D&R)	31/03/2015	On target	50%	Planning applications continue to be scrutinised to maximise compliance with our policies on provision of family sized housing in the affordable tenures.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Meet with developing RPs twice, to agree the number, location, size and timing of their schemes	Jackie Odunoye (D&R)	30/09/2014	Complete	100%	Regular meetings are taking place with RPs. Two have taken place for Q1 and Q2, and a further two meetings will take place by year end.
Ensure that each planning application has as close to a policy compliant offer of affordable family sized homes	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Affordable Housing team provide comments on all planning applications and ensure that family affordable housing is given a high priority in assessing schemes.
Meet quarterly with the GLA to discuss progress on grant funded schemes and future bids by RPs/developers in Tower Hamlets	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Meetings take place at the end of the quarter.
Participate at all ELHP Chief Officer Groups and the ELHP Board	Jackie Odunoye (D&R)	31/03/2015	On target	50%	
Support RPs grant applications to the GLA ensuring that quantum of family homes is maximised and rents are affordable	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Many grant allocations are still for unspecified schemes, and will not specify exact rents, which need to be secured through our planning process. The LBTH Framework for Affordable Rents has been agreed with the GLA.
Work with RPs and Planning to increase the delivery of affordable housing with the aim of completing 5500 new affordable homes by May 2018	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Work continues on encouraging further delivery of affordable housing from mixed tenure schemes and Registered Provider led schemes. The target of 5500 is still not secured, but more schemes are due to be approved over the next year.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Deliver regeneration at Robin Hood Gardens and the Ocean Estate	Cllr Rabina Khan Jackie Odunoye (D&R)	31/03/2015	On target	50%	First phased works for RHG on target. Later phases delayed due to length of time taken for CPO outcomes, but second phase (1b) preparation work in progress and reserved matters application submitted.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Blackwall Reach - Secure reserved matters planning application approval for development phase 1b	Jackie Odunoye (D&R)	31/07/2014	Delayed	50%	There has been some delay in achieving this and milestones relating to later phases for RHG due to the extended CPO process. Consequently, a planning application for phase 1b was submitted in September 2014 with approval projected for November 2014.
Ocean DH & Newbuild - Manage refurbishment contract defects period and notation of contracts from East Thames	Jackie Odunoye (D&R)	30/09/2014	Delayed	50%	Liaison with THH and Wates over latent defects still required, due for completion within 2014/15. East Thames have yet to provide details of the warrantees to accompany the contracts being novated.
Blackwall Reach - Ensure completion of 98 new homes on development phase 1a	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Construction works on programme.
Ocean Redevelopment Phase 2 - Progress land assembly, including tenant decants and acquisitions to achieve vacant possession for transfer to East Thames	Jackie Odunoye (D&R)	31/03/2015	On target	50%	The 3 blocks are now 70% emptied. Possession action is underway on all secure and non-secure tenants. All but 4 resident leaseholders have sold their homes and 19 non-residents remain to be bought-out, prior to the application of the CPO in QTR4.

APPENDIX 5: TOWER HAMLETS STRATEGIC PLAN ACTION PLAN 2014-2015

Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Lead regeneration in Poplar	Cllr Rabina Khan Owen Whalley (D&R)	01/03/2015	On target	50%	Regeneration in this area supported both by the Ailsa Masterplan development work and the Housing Zone bid which was submitted to the GLA on 30th September 2014.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Produce new Ailsa SPD draft for consultation	Owen Whalley (D&R)	01/10/2014	Delayed	30%	Clearance for the procurement / inception of specialised themes of work (environmental, design, viability) is currently being undertaken. This has meant that there have been time implications on progress. Also key is determining the need for a Strategic Environmental Assessment (SEA). Plan making will continue to update senior management on the time implications now associated with the need for an SEA and procurement. A further update will be available in January 2015.
Adopt the Ailsa Street SPD	Owen Whalley (D&R)	01/03/2015	On target	0%	This objective depends upon careful management of procurement and inception technicalities which are currently being managed.
Complete a Masterplan scoping exercise for South Poplar	Owen Whalley (D&R)	01/03/2015	On target	50%	The Housing Zone bid for Poplar Riverside is at an advanced stage and consideration is being given to whether this becomes a wider planning framework. Plan Making have provided detailed evidence to the Poplar Riverside Housing Zone Bid and continue to support Housing colleagues in this role and in the development of a Masterplan for Ailsa Street.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Deliver housing, a leisure centre and community facilities at Poplar Baths / Dame Colett House	Cllr Rabina Khan Ann Sutcliffe (D&R)	31/03/2015	On target	25%	Good progress has been made on this activity with youth service involved in design development. Planning conditions have been met with housing and community facility build targets on course to be met.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
6 month review of progress against programme targets	Ann Sutcliffe (D&R)	30/09/2014	Complete	100%	Construction programme reviewed.
Monitor delivery of 100 socially rented housing units	Ann Sutcliffe (D&R)	31/03/2015	On target	25%	Programme monitored through a range of meetings and inspection.
Delivery of leisure centre - commencement on site	Ann Sutcliffe (D&R)	31/03/2015	Complete	100%	Work started on site.
Delivery of a new youth / community centre - commencement on site	Ann Sutcliffe (D&R)	31/03/2015	Complete	100%	Work started on site.
Complete first phase of housing (milestone / deadline subject to Financial Close)	Ann Sutcliffe (D&R)	31/03/2015	On target	25%	Construction progressing, discharge of planning conditions on target.
Open youth / community facilities (milestone / deadline subject to Financial Close)	Ann Sutcliffe (D&R)	31/03/2015	On target	25%	Construction progressing, youth service involved in design development.

APPENDIX 5: TOWER HAMLETS STRATEGIC PLAN ACTION PLAN 2014-2015

Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Seek to mitigate homelessness and improve housing options	Cllr Rabina Khan Jackie Odunoye, Colin Cormack (D&R)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Improve housing options in the private rented sector - scope project and agree project plan	Jackie Odunoye (D&R)	30/04/2014	Complete	100%	
Develop proposals for consideration informed by evidence and legal advice	Jackie Odunoye (D&R)	30/06/2014	Complete	100%	
Produce and publish the Homeless Statement Action Plan	Colin Cormack (D&R)	31/07/2014	Delayed	75%	There has been some discussion on how this item should be progressed and by whom. It has now been agreed that Strategic Housing will lead on the review of initial Action Plan which should be developed by November 2014.
Submit Cabinet report setting out options and budgetary requirements in relation to the private rented sector	Jackie Odunoye (D&R)	30/09/2014	Complete	100%	Cabinet report approved on 3rd September 2014.
Support the London Living Rent Campaign and work with the GLA's London Rental Scheme and London Landlord Accreditation Scheme to improve regulation in the Private Rented Sector producing a scoping report by September 2014	Jackie Odunoye (D&R)	30/09/2014	Complete	100%	A scoping paper has now been taken to Cabinet (3rd September 2014). Following this report a consultancy will now be engaged to further consult on the adoption of selective powers re: private sector licensing within specific Wards.
Produce the service change specification for an enhanced Housing Options Service as defined by the No Wrong Door project	Colin Cormack (D&R)	31/03/2015	On target	50%	On target for completion by year's end.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Plan effectively to deliver high volumes of affordable housing and funding for infrastructure (including provision for healthcare and education)	Cllr Rabina Khan, Owen Whalley (D&R)	31/03/2015	On target	40%	Good progress has been made towards developing the South Quay masterplan in addition to securing funding for infrastructure through planning contributions. Continual liaison is made with developers to secure where possible affordable housing target rent levels.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Represent Tower Hamlets at Judicial Review into London Plan affordable housing policy	Owen Whalley (D&R)	31/05/2014	Complete	100%	
Consult on draft South Quay Masterplan	Owen Whalley (D&R)	30/09/2014	Delayed	0%	Corporate reporting to commence with CMT on 30/9/14. SPD draft to be approved by Cabinet in December for consultation in January.
Adopt South Quay Masterplan	Owen Whalley (D&R)	31/02/2015	On target	0%	Adoption will follow consultation and drafting.
Maximise opportunities for the provision of childcare space in new developments	Owen Whalley (D&R)	31/03/2015	On target	40%	A study has been commissioned to undertake secondary data analysis to better understand the level of need re: childcare provision. This will complement consultation with parents currently taking up an Early Learning 2 place and those who aren't to better understand the service needs with a view to feeding into service provision.
Secure new affordable homes at rental levels which are genuinely affordable for those in housing need in Tower Hamlets	Jackie Odunoye (D&R)	31/03/2015	On target	50%	The new framework for affordable rents in the 2015-18 GLA grant programme have been agreed. Rents on other schemes require liaison with developers at the planning stage, which is being done.
Develop new financial and delivery model as options for securing investment in delivering affordable housing on specific Council owned sites	Jackie Odunoye (D&R)	31/03/2015	On target	50%	All new homes are being developed at rents agreed in the Framework Agreement between the GLA and LBTH. In some instances, viability permitting, schemes are delivering at social target rents.

APPENDIX 5: TOWER HAMLETS STRATEGIC PLAN ACTION PLAN 2014-2015

Strategic Priority 1.2: Maintain and improve the quality of housing					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Reduce the number of Council homes that fall below a decent standard	Cllr Rabina Khan Jackie Odunoye (D&R)	30/03/2015	On target	62%	Year 4 Decent Homes programme has commenced with 1,1447 homes being made decent so far and delivery more heavily weighted towards the latter half of the year. A range of community benefits have also been realised via apprenticeships, work placements and £4.31m of contractor spend being with local suppliers.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Commence Year 4 DH Programme using five contractors	Jackie Odunoye (D&R)	30/04/2014	Complete	100%	Contractors commenced delivery from 1st April 2014.
Make 3109 homes decent	Jackie Odunoye (D&R)	31/03/2015	On target	47%	761 homes made decent against a quarterly programme target of 760. Year to date DH yield is 1447. Quarter 3 programme target is set at 889.
Ensure delivery of local community benefits targets	Jackie Odunoye (D&R)	31/03/2015	On target	40%	<p>Target Apprentices in Y3 &amp; Y4 = 171: Current Apprenticeships = 91                      Apprenticeships offered to the local residents based on cumulative spend of £85m until the official orders are issued.                      Local Labour Target = 30%: Current Employment = 37%                      Local (LBTH) Spend Target = 20%: Current Performance = 31%                      Contractors have spent circa £13.834m of which circa £4.311m (31%) have been committed to suppliers based within LBTH.                      Local East London Spend Target = 50%: Current Performance = 32%</p> <p><u>Work Experience Placements:</u>                      * 1 Outreach placement                      * 1 School placement                      * 14 weeks work experience                      * DH Project Team working with Resident Engagement Team to identify suitable Community Centres for basic decorating works</p>
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve the quality of housing services	Cllr Rabina Khan Jackie Odunoye (D&R)	31/12/2014	On target	50%	Good progress being made with Project 120 sign up by housing partners, audits of leasehold service charges, and monitoring service plans in support of the 'Cards on the Table Campaign'.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Ensure sign up to P120 (provision of appropriate family sized wheelchair accessible homes) by all RP partners, developers and the GLA	Jackie Odunoye (D&R)	31/05/2014	Complete	100%	A conference held in January 2014, attended by RPs and stakeholders involved in the delivery of Wheelchair accessible units in the Borough formally marked the launch of P120. Since then P120 remains a standing item on the THHF Development Subgroup Agenda and a Project Team has formed, meeting on a 6 weekly basis to take this initiative forward.
Implement efficiency savings by re-structuring the Service	Jackie Odunoye (D&R)	31/10/2014	On target	75%	To be implemented as part of the employment options programme.
Complete audits of leaseholder service charges and implement recommendations	Jackie Odunoye (D&R)	31/12/2014	On target	60%	Mazars Audit ascertaining legislative and lease compliance, VFM, and transparency of leasehold services – completed and report issued. HQN have been procured to review the progress implementation of the of the Beevers & Struthers Audit. The audit is in progress, report due in December 2014.
Examine options for leaseholder dispute resolution	Jackie Odunoye (D&R)	31/12/2014	On target	30%	Initial draft presented to LBTH Client. THH has been asked for more detail on the ADR process and implications

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Agree and monitor the Tenant Federation Action Plan and provide appropriate support for their 'Cards on the Table' scrutiny activities	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Regular support and liaison with Tenants Federation taking place. 2014/15 funding support not yet agreed.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Identify and target sub-standard homes and work with landlords or enforce where required to improve conditions	Cllr Rabina Khan / Deputy Mayor, Cllr Oliur Rahman Andy Bamber (CLC)	31/03/2015	On target	50%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Gather necessary evidence, explore data and consider options for taking forward a landlord licensing scheme	Andy Bamber (CLC)	31/03/2015	On target	50%	
Proactively locate substandard homes and bring them up to standard	Andy Bamber (CLC)	31/03/2015	On target	50%	
Increase the number of Houses of Multiple Occupation that are compliant with licensing requirements by 10%	Andy Bamber (CLC)	31/03/2015	On target	50%	
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Offer affordable fuel options through Tower Hamlets Energy Community Power (Energy Cooperative)	Cllr Rabina Khan / Cllr Alibor Choudhury Jackie Odunoye (D&R)	31/03/2015	On target	60%	Continuing to promote the energy co-op auction held in October 2014 and a further auction planned for February 2015. Energy advice is offered to households.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Deliver the energy use awareness programme, including home energy efficiency advice and short term loans of energy monitoring devices, to help residents recognise their current energy use and identify potential savings	Jackie Odunoye (D&R)	30/09/2014	Delayed	75%	Preparatory works for the project completed. The start of the project purposely delayed to November 2014 to coincide with the winter months and will be completed end of February 2015.
Provide tailored home energy efficiency advice and energy packs to 250 households in the borough, focused on those at risk of fuel poverty including vulnerable residents and over 75s	Jackie Odunoye (D&R)	31/12/2014	On target	50%	
Implement the Fuel Poverty Plan and produce an annual report on progress and achievements	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Action Plan implemented and ongoing.
Continue with resident sign-up for the collective energy switching scheme and hold at least two auctions in the year to secure cheaper tariffs for residents	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Regular promotional sign up events are held.
Strategic Priority 1.3: Improve the local environment and public realm					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Progress the Carbon Reduction Plan for Council buildings	Cllr Alibor Choudhury / Cllr Shahed Ali Jackie Odunoye (D&R)	31/03/2015	On target	45%	The Carbon Management Plan from 2009 has been reviewed and renewed in 2014.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Tender for Re:FIT programme for Council buildings	Jackie Odunoye (D&R)	30/09/2014	Delayed	50%	Currently on hold. Tower Hamlets identified the potential buildings and to use the GLA REFIT procurement framework, we received a request from East London Solutions to do a joint procurement as a sub region to achieve a higher value of works to achieve better value for money. Joint tenders are now likely to take place in January 2015.
Secure approval of the Salix loan application for 300 LED streetlights. The works will save £25,000 and 135 tonnes of CO2 per annum	Jackie Odunoye (D&R)	30/09/2014	Complete	100%	Funding has been secured and project already completed.

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Complete installation phase for Re:FIT programme. The programme will save 312 tonnes of CO2 and £60,000 per annum	Jackie Odunoye (D&R)	31/03/2015	On target	0%	As above, project is on hold and therefore the implementation is likely to be delayed by three months. However the project is looking to complete by March 2015.
Deliver second phase of staff engagement programme and publish energy costs and carbon emissions quarterly	Jackie Odunoye (D&R)	31/03/2015	On target	25%	Data analysed. Strategy to be completed when the vacant post is filled in January 2015.
Complete the Schools Saving strategy and delivery plan	Jackie Odunoye (D&R)	31/03/2015	On target	50%	Data analysed. Strategy to be completed when the vacant post is filled in January 2015.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Protect and improve the local environment	Cllr Shahed Ali Andy Bamber, Jamie Blake (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Manage continued improvement in reducing traffic disruption through the Street Works Permit scheme for utilities and road works, with an annual report produced in May 2014	Jamie Blake (CLC)	31/05/2014	Complete	100%	
Enact dog control orders (subject to consultation) to improve the Council's response to dog control issues	Andy Bamber (CLC)	30/09/2014	Delayed	75%	Awaiting Legal Service input before consultation is reported back to the Mayor and a decision is taken on publishing final orders. New target date proposed: 31/3/15
Deliver projects towards improving air quality under the Air Quality Strategy programme: 1. Expand the zero emissions network in Shoreditch, working with small businesses 2. Deliver and evaluate a pilot No-idling project at Tower Bridge 3. Design and deliver the clean air awareness project with the Barts Trust	Andy Bamber (CLC)	31/03/2015	On target	50%	
Continue to liaise with Crossrail delivery companies and contractors to ensure that the impact on the environment and local residents is minimised	Andy Bamber (CLC) and Jamie Blake (CLC)	31/03/2015	On target	50%	
Plan and develop proposals for a Boroughwide 20mph limit, including consultation with TfL	Jamie Blake (CLC)	31/03/2015	Complete	100%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Work in partnership to improve our public realm	Cllr Shahed Ali Jamie Blake (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Undertake a borough wide deep clean	Jamie Blake (CLC)	30/06/2014	Complete	100%	
Support the development and relaunch of Find It, Fix It, Love It (FIFILI) and develop the use of direct service delivery through	Jamie Blake (CLC)	31/08/2014	Complete	100%	
Deliver Marsh Wall resurfacing and bus improvement streetscene improvement works on site	Jamie Blake (CLC)	31/08/2014	Complete	100%	
Undertake public consultation on the Ben Johnson Road streetscene improvement scheme	Jamie Blake (CLC)	31/10/2014	Delayed	0%	Following some clarification of work programmes the consultation for this scheme will now be undertaken in Q4 for project delivery in 2015/16
Develop further the Community Volunteering programme, and deliver at least 50 projects	Jamie Blake (CLC)	31/03/2015	On target	50%	
Integrate engagement with representative disabilities groups for all design and improvement works	Jamie Blake (CLC)	31/03/2015	On target	50%	
Deliver the Ben Johnson Road streetscene improvement scheme phase 1 works on site	Jamie Blake (CLC)	31/03/2015	Overdue	0%	Works are now scheduled to start on site in 2015/16.

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Improve street lighting in the borough by replacing 200 streetlights with brighter white LED lighting (c.50 new columns per quarter)	Jamie Blake (CLC)	31/03/2015	On target	50%	
Deliver phase 3 of the £3m highway infrastructure improvement programme. Total 18 streets resurfaced; 6 by September 2014	Jamie Blake (CLC)	31/03/2015	On target	95%	
Help make our borough greener by implementing a four year rolling programme of tree planting on streets, parks and open spaces	Jamie Blake & Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Increase household waste sent for reuse, recycling & composting	Cllr Shahed Ali Jamie Blake (CLC)	31/03/2015	Complete	100%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>100%</b>	<b>Comments</b>
Develop a 'Lifecycle' media campaign to promote awareness of reuse, recycling & composting arrangements and opportunities	Jamie Blake (CLC)	31/08/2014	Complete	100%	
Complete a Census-based project to determine future demand profiles for waste and recycling services	Jamie Blake (CLC)	31/08/2014	Complete	100%	
Complete an evaluation of waste generation for estate based communities to support targeted interventions for improved recycling levels	Jamie Blake (CLC)	01/10/2014	Complete	100%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Improve our parks, playgrounds and open spaces	Cllr Shafiqul Haque Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Commence delivery of the capital improvements to Bartlett Park Phase 1	Shazia Hussain (CLC)	31/03/2015	On target	50%	
Develop consultation on the draft Masterplan for the King Edward Memorial Park, with local stakeholder meetings by December 2014	Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Strategic Priority 1.4: Provide effective local services and facilities</b>					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Manage national planning changes effectively to deliver local priorities	Cllr Rabina Khan Owen Whalley (D&R)	31/03/2015	On target	40%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Cabinet determine third round of applications for Neighbourhood Forums	Owen Whalley (D&R)	30/09/2014	Complete	100%	No applications were received.
Publish Stage 2 Tower Hamlets Neighbourhood Planning Guidance	Owen Whalley (D&R)	31/10/2014	On target	25%	This document is being finalised upon which it will be reported to senior management.
Cabinet determine fourth round of applications for Neighbourhood Forums	Owen Whalley (D&R)	31/03/2015	On target	0%	A process is in place to assist Cabinet's determination of forthcoming applications. This milestone however depends on submissions coming forward.
Undertake an initial options review to assess delivery of the Mayor's parking commitments	Owen Whalley (D&R) / Jamie Blake (CLC)	31/03/2015	On target	10%	D&R leading review of all estate and off-street parking for which a scoping exercised is to be carried out in December 2014 as part of a wider review of estate land and capacity to deliver additional affordable homes.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Further improve our markets	Deputy Mayor, Cllr Oliur Rahman Jamie Blake (CLC)	31/03/2015	On target	60%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Undertake public consultation on Bethnal Green streetscene improvements	Jamie Blake (CLC)	30/06/2014	Complete	100%	
Outline design developed for the Wentworth Street market area street improvement scheme	Jamie Blake (CLC)	31/12/2014	On target	50%	
Deliver the Bethnal Green Town Centre improvement scheme to improve the market area - commence work on site	Jamie Blake (CLC)	31/03/2015		0%	Scheme withdrawn. Expected to be replaced by major junction improvement at Bethnal Green Gateway ( Roman Rd / Cambridge Heath Rd junction) subject to securing LIP funding.
Deliver public consultation on the Wentworth Street market area street improvement scheme	Jamie Blake (CLC)	31/03/2015	On target	0%	
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Adopt the Tower Hamlets local Community Infrastructure Levy (CIL)	Cllr Rabina Khan Owen Whalley (D&R)	31/03/2015	On target	95%	Due to the requirement of further information and an additional Examination Hearing, we are expecting the Examiner's Report in November 2014 and all being well, a live CIL by March 2015.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Full Council Adoption of LBTH CIL	Owen Whalley (D&R)	30/09/2014	Delayed	95%	Due to the requirement of further information and an additional Examination Hearing, we are expecting the Examiner's Report in November 2014 and all being well, a live CIL by March 2015.
Complete training programme for all Planning staff on the new CIL	Owen Whalley (D&R)	31/03/2015	On target	0%	This milestone is on target and will commence in the New Year.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Deliver the Whitechapel Masterplan	Cllr Rabina Khan Owen Whalley (D&R)	31/12/2014	On target	60%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Define the Interim Delivery approach for the Masterplan	Owen Whalley (D&R)	31/07/2014	Complete	100%	
Prepare briefing paper for the Interim Delivery Team	Owen Whalley (D&R)	30/09/2014	Complete	100%	
Complete project handover	Owen Whalley (D&R)	31/12/2014	On target	40%	The detailed structure has been agreed and staffing resources are being sought and opportunities progressed. The first formal Partnership Board meeting took place on 27 October 2014.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Deliver a Multi-Faith burial ground	Mayor Lutfur Rahman Ann Sutcliffe (D&R)	31/05/2015	Overdue	50%	This activity has been delayed due to the external partner being responsible for and failing to secure planning consent. There is limited control which can be exercised over the developer in submitting the planning application to time. To limit the impact and slippage on this, an alternative site has been identified. However this will result in there being a year delay from the original timescale.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Partner to secure planning consent for Multi-Faith burial ground	Ann Sutcliffe (D&R)	31/12/2014	Overdue	0%	After the initial planning application was withdrawn, the development partner is no longer submitting an application at this time and so this milestone will be delayed. An alternative site has been identified and a paper is going to Cabinet in December 2014. This would result in this milestone being delivered by 31/12/15.



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Commence marketing of cemetery provision	Ann Sutcliffe (D&R)	31/01/2015	Overdue	0%	Due to the delivery partner not submitting a planning application, and an alternative site now being sourced, it is likely that this milestone will now slip to 31/1/16.
Completion of setting out of grounds	Ann Sutcliffe (D&R)	31/05/2015	Overdue	0%	Assuming that we conclude negotiations on a new site, this milestone would be delivered by 31/5/16
<b>Strategic Priority 1.5: Improve local transport links and connectivity</b>					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Support sustainable local transport including cycle improvements	Cllr Shahed Ali / Deputy Mayor, Cllr Oliur Rahman Jamie Blake (CLC)	31/03/2015	On target	30%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Review TfL safety improvement designs for Cycle Superhighways 2 and 3	Jamie Blake (CLC)	31/07/2014	Delayed	50%	CS2 out to consultation and Council preparing objections and proposals for improvements including at Whitechapel Market; CS3 due to be consulted in January and Council preparing outline revised design "vision" for wider consultation in response to TfL proposals.
Undertake consultation on the Council's sustainable local transport improvements (Cycle Superhighways 2&3 and Aldgate / Whitechapel Connections Strategy)	Jamie Blake (CLC)	30/09/2014	Delayed	25%	TfL leading CS2 consultation and other consultation is not due until Q3
With the London Legacy Development Corporation (LLDC), design creation of a new north/south Riverside Walk link	Jamie Blake (CLC)	30/11/2014	On target	80%	
Commence Cycle Superhighway 2 and 3 enabling works with TfL	Jamie Blake (CLC)	31/12/2014	Delayed	0%	CS2 construction programme Jan 2015 for 14 months. CS3 starts later in 2015. LBTH still considering detailed designs.
Deliver first phase of Aldgate / Whitechapel Connections Strategy - works on site	Jamie Blake (CLC)	31/01/2015	On target	10%	
Develop Stepney Schools Cycle Partnership to support cycling in the area and continue the free adult and children cycling training programmes	Jamie Blake (CLC)	31/03/2015	Overdue (in part)	10%	Cycle training ongoing but Bid for Stepney Schools Partnership not approved by TfL - will seek to deliver some elements of the scheme in 2015/16 LIP
Deliver Phase One of the Leaway Walk in conjunction with the LLDC	Jamie Blake (CLC)	31/03/2015	On target	20%	
Create 1,000 more parking spaces over the next four years (i.e. to 2018), delivering 250 new spaces this year	Jamie Blake (CLC)	31/03/2015	On target	10%	
<b>Strategic Priority 1.6: Developing stronger communities</b>					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Engage residents and community leaders in policy and budget changes	Mayor Lutfur Rahman / Cllr Alibor Choudhury Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Consult residents as part of the development of the Community Plan	Louise Russell (LPG)	31/12/2014	On target	75%	Online consultation on savings proposals completed. Survey and workshops planned for before December.
Hold an annual Mayor's Budget congress	Robin Beattie (CLC)	28/02/2015	On target	50%	
Further develop and deliver a resident budget communications plan	Chris Holme (RES) / Takki Sulaiman (LPG)	28/02/2015	On target	75%	Further consultation activity will be undertaken during Jan/Feb both online and in face to face sessions.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Implement a framework for engagement of borough-wide equality forums in the Partnership	Mayor Lutfur Rahman Louise Russell (LPG)	31/12/2014	On target	75%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Develop proposals to Partnership Executive for engagement of borough wide equality forums	Louise Russell (LPG)	30/06/2014	Delayed	75%	The Framework is being revised following feedback.
Present implementation report to Partnership Executive	Louise Russell (LPG)	31/12/2014	On target	75%	Partnership Executive workshop planned for December 2014.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Deliver locally appropriate services through the 4 locality Hubs	Mayor Lutfur Rahman Shazia Hussain (CLC)	31/03/2015	On target	60%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Complete negotiations with the Police regarding co-location	Robin Beattie (CLC)	31/07/2014	Delayed	85%	The Police Asset Management Team needed to wait for a strategic policy review to be completed. Draft Heads of Terms have been agreed for police use of John Onslow House and the Shadwell Centre and for LBTH use of Isle of Dogs Police Station. Finalised papers including cost are being drafted for formal consideration by LBTH and Police asset management decision making bodies.
Develop a corporate wide strategy for locality co-location	Robin Beattie (CLC)	31/12/2014	On target	50%	
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Develop further the Local Community Ward Forums and the Community Champions Programme	Mayor Lutfur Rahman Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Use the LCWFs to support the scoping of the 'Play Streets' scheme in the borough	Shazia Hussain (CLC)	31/12/2014	On target	0%	Discussions are ongoing as to which part of the organisation should progress this action, given budgets and service responsibilities.
Establish and implement three additional Local Community Ward Forums following the implementation of ward boundary changes	Shazia Hussain (CLC)	31/03/2015	On target	50%	
Implement a 3rd round of Community Champions recruitment with targeted recruitment of under-represented groups	Shazia Hussain (CLC)	31/03/2015	Complete	100%	
Develop a Community Champions Framework	Shazia Hussain (CLC)	31/03/2015	On target	50%	

<b>A Prosperous Community</b>					
Strategic Priority 2.1: Improve educational aspiration and attainment					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Ensure sufficient places are provided to meet the need for statutory school places	Cllr Gulam Robbani Kate Bingham (ESW)	31/03/2015	On target	75%	Annual review report submitted to Cabinet 3 September 2014. No children without offer of a school place in September 2014. Milestones on track for target completion
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Review annual projections and adjust short, medium and long term planning accordingly	Kate Bingham (ESW)	30/09/2014	Complete	100%	Annual review report submitted to Cabinet 3 September 2014.
Review land and asset options to plan for growth of primary and secondary provision, including provision for children with SEN, and report to Cabinet on progress and further plans for implementation	Kate Bingham (ESW)	30/09/2014	Complete	100%	Scheme implementation on programme. 5FE of additional primary capacity opened September 2014.
Complete implementation of existing expansion schemes and any temporary schemes to provide sufficient primary places	Kate Bingham (ESW)	31/03/2015	On target	60%	Longer term strategic planning ongoing. Potential primary school at Wood Wharf included in outline planning application
Plan for implementation of future expansion schemes, working with D&R on land and funding matters where required, and plan for use of capital resources (including s. 106 and CIL funds) to implement schemes	Kate Bingham (ESW)	31/03/2015	On target	60%	Longer term strategic planning ongoing. Potential primary school at Wood Wharf included in outline planning application
Develop proposals for new school sites, including working with developers/owners and seeking school proposers as required	Kate Bingham (ESW)	31/03/2015	On target	60%	Longer term strategic planning ongoing. Potential primary school at Wood Wharf included in outline planning application
Develop medium and long term strategy to meet projected pupil growth to 2024, taking into account any new free schools agreed by DfE	Kate Bingham (ESW)	31/03/2015	On target	60%	Longer term strategic planning ongoing.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Expand free early education places of high quality for disadvantaged two-year-olds	Cllr Gulam Robbani Anne Canning (ESW)	31/03/2015	On target	75%	An additional 814 places were created by Sept 14. We are continuing to work with around 24 new provisions to offer further places. Milestones are generally on track to meet target delivery dates
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Develop access routes to support the expansion of early learning places for eligible 2 year olds	Anne Canning (ESW)	30/09/2014	Delayed	75%	We have formed links with Parks, East Thames Housing and Poplar Harca Housing to identify additional premises. We are working closely with asset management in negotiating potential childcare places with eight Local Authority premises.
Use capital and trajectory building allocation from Dedicated Schools Grant to develop new, and expand existing, provision for eligible 2 year olds	Anne Canning (ESW)	31/03/2015	On target	20%	£192,000 has been spent to date. We anticipate further spend of approximately £800,000 by March 2015.
Work with identified settings to ensure that they are of high enough quality to provide places for eligible 2 year olds - promoting shared use of buildings where possible	Anne Canning (ESW)	31/03/2015	Complete	100%	New legislation from the DfE now means that the Early Years Service no longer has a right to refuse two year old funding to new provision or those judged good or outstanding by Ofsted (whatever the LA view is on their quality of provision). However raising quality continues to remain a main focus of meeting the needs of young children, and work continues with Asset Management to find premises encouraging shared use of buildings.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Raise attainment and narrow the gap between the lowest 20% and the median of all children at the end of the Early Years Foundation Stage (EYFS)	Cllr Gulam Robbani Anne Canning (ESW)	31/07/2014	Delayed	75%	The moderation process has changed. Schools will now receive three visits over the course of the year rather than the traditional annual visit. Assessment training is ongoing - this includes NQTs and experienced co-ordinators in schools
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Roll out second year of Every Tower Hamlets Child a Talker (ECaT) Programme	Anne Canning (ESW)	31/07/2014	Complete	100%	Each setting has a named communication lead. A higher level of training is being provided. Training for the trainer has started.
Roll out of the mathematics programme, including by appointing a skilled teacher who can work with both schools and MPVI settings; beginning the programme in the summer term and using QA and review processes as for ECaT	Anne Canning (ESW)	31/07/2014	Delayed	100%	A teacher was identified to work with both schools and MPVIs. This work has commenced. However, soon after the teacher was awarded the role, she left after accepting the post. This is now under review again.
Work with targeted schools, including by allocating a development worker to each school; agreeing a programme of work incorporating support for leadership skills, assessment, assessing using the characteristics of learning and planning for progress; reviewing EYFSP outcomes for each school	Anne Canning (ESW)	31/07/2014	Complete	100%	All early years providers have arrangements in place to identify and support children with additional needs and special educational needs and disabilities (SEND). They follow the Early Years Foundation Stage (EYFS) which is a government framework that sets out the standards for monitoring the progress and development of children. They use an assessment and planning framework and have tools such as 'Early years outcomes' which provide information on expected outcomes for young children they should be working towards.  Previously, the EYFS moderation programme meant that 25% of schools received one visit a year to review their programme of support and EYFS programme outcomes. Schools will now be visited three times a year instead of once a year by an EYFS development worker. Schools are chosen on a four year rolling rota so that 25% of schools are moderated over a four year period.  So far this term, all schools have been visited, where the Adviser helped head-teachers and Early Years Co-ordinators to analyse EYFS pupil data from last year, as well as this year's new pupil cohort. Following analysis of data, staff were supported in creating their plan of action.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Increase the number of children achieving 5 A* to C grades including English and maths grades at GCSE	Cllr Gulam Robbani Anne Canning (ESW)	30/09/2014	Delayed	50%	Provisional 2014 GCSE results were released to schools in late August 2014. There have been a number of significant changes to exams this year which the DfE warned could impact on this year's results. The provisional results show that the percentage of students achieving 5+ A* -C GCSEs (including English and Mathematics) is 59.5% - a drop of 5.2% points on last year's figure of 64.7%. However, this still represents a 24% point improvement since 2005/06, when LBTH achieved 34%. Tower Hamlets' results are still likely to be above the national average. The Council's role is to broker support between schools and strengthen partnerships. There has been some slippage with milestones but remedial actions are in place.

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Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Identify the distribution of underperformance across the borough schools at all key stages, with a particular focus on White UK pupils and Looked After Children; offer feedback to the schools; identify key schools to work with to improve the attainment levels of the underachieving pupils	Anne Canning (ESW)	31/07/2014	Delayed	50%	This subject is scheduled to be discussed at the Tower Hamlets Equalities Steering Group meeting in November.  Tower Hamlets' GSCE results for all pupils have improved over time from a point well below the national average in 1990 to a point above in 2013.  Although results for White UK pupils have been improving over time, the rate of improvement has remained in line with local and national rates of increase, so that as a group they never close the gap. When compared to 2013 5 A* - C GSCE including English and Maths results for London, the achievement of Tower Hamlets White UK pupils is in the bottom four boroughs along with Brent, Newham, and Islington. A range of initiatives are delivered such as parental engagement and school effectiveness activities for White UK pupils. Work is underway to visit all schools and identify groups and strategies by Dec 2014.
Undertake identification of specific barriers to achieving such as family issues, SEN, attendance, health and motivation	Anne Canning (ESW)	30/09/2014	Delayed	50%	A strategy meeting is scheduled for November/ December with the Virtual School and the School Improvement team. The officer who is tasked to move this forward has been absent on sick leave. This strategic meeting will be held with LBTH's Head of Secondary Learning and Achievement, as to moving the virtual schools agenda forward.
Offer targeted Key Stage 4 support to the worst performing schools to support improvement, including learning and family support interventions especially for Looked After Children	Anne Canning (ESW)	30/09/2014	Complete	100%	At KS4 the 5+ A*-C including English and Maths has dipped to 59.5%, a drop of 5.2%. T
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Bring A Level results above the national average	Cllr Gulam Robbani Anne Canning (ESW)	31/03/2015	On target	75%	A level results are improving year on year and are getting closer to the national average. Several schools are at this level already. The borough has continued to improve its results within a national context of declining results. There is still more to do but we are heading in the right direction.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Support all sixth forms to use ALPS data effectively in their planning to target support to Year 12 students	Anne Canning (ESW)	30/09/2014	Complete	100%	All schools are using the ALPS process to monitor and track their students. They also use ALPS to monitor the quality of AS and A levels against a national framework.
Offer targeted Key Stage 5 support to the worst performing schools to support improvement, including learning and family support interventions	Anne Canning (ESW)	30/09/2014	Complete	100%	We have carried out several sixth form health checks over the past year. These include learning walks, lesson observations, folder checks, focus groups with students and staff and a report back to the Head. This is an ongoing action.  We work closely with our sixth forms and respond to all requests for support. In the secondary learning team we focus on the educational needs of our schools, teachers and students. We support schools in their work with families and commission support from the relevant agencies.
Fund and support the development of academic literacy, by providing one to one tuition for students and support for teachers which schools can access	Anne Canning (ESW)	31/03/2015	Complete	100%	We have supported the development of an academic literacy programme that is now in all of our sixth forms. This programme uses a network of tutors - often ex-teachers but also recent graduates - to provide 1:1 support for students. This has been very effective in helping students improve their grades.  This project has developed a variety of resources and techniques that are highly effective. The latest initiative is for the tutors to coach teachers in schools on these techniques. This helps spread the 1:1 strategies more widely and will enable even more students to benefit from the programme.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Embed a Child Rights Approach in all of our commissioning for 2014/15	Cllr Gulam Robbani Anne Canning (ESW), Dorne Kanareck (ESW)	28/02/2015	Complete	100%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Ensure all our key partners sign up to the Mayor's Charter of Child Rights	Anne Canning (ESW)	30/04/2014	Complete	100%	A host of key organisations formally pledged to uphold the rights of children and young people in Tower Hamlets. The 'Tower Hamlets Mayor's Charter of Child Rights' was launched on March 11th 2014. The launch represents a milestone in the council's new partnership with UNICEF UK. Local children and young people decided which 10 articles of the UN convention on the Rights of the Child were most relevant to them. Tower Hamlets Council was the first organisation to sign the Charter. Other organisations to sign at the launch included Bart's Health NHS Trust, the Metropolitan Police, East London Foundation Trust and some of the borough's head teachers.
Children and Families Partnership Board agree the joint child rights based commissioning framework	Anne Canning, Dorne Kanareck (ESW)	30/06/2014	Complete	100%	This was approved by the Children and Families Partnership Board on 20th May 2014.
Provide training for colleagues undertaking commissioning in 2014-15	Anne Canning, Dorne Kanareck (ESW)	31/12/2014	Complete	100%	UNICEF training undertaken by the Project Group.
Procurement processes completed	Anne Canning, Dorne Kanareck (ESW)	28/02/2015	Complete	100%	YBSM service was tendered using the child right's principles. The new service was established on 1st April 2014.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Assist more people into further education and to university, and continue to deliver the Mayor's Education Allowance (MEA) and Mayor's Higher Education Award (MHEA)	Cllr Gulam Robbani / Cllr Alibor Choudhury Anne Canning (ESW)	31/02/2015	On target	70%	The activities below provide an update of progress.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Hold information sessions for parents about aspirational progression routes for young people leaving school, college or university	Anne Canning (ESW)	31/07/2014	Complete	100%	In addition, a project team is working with the parental engagement team to produce a DVD for parents. This provides information about various career routes after school. A career advisor holds a surgery at the annual Parent's Evenings at every secondary school, providing advice to Year 9 and 11.
Hold the annual Mayor's Education Achievement Awards to recognise the achievements of young people in the borough	Anne Canning (ESW)	30/11/2014	On target	75%	On track to deliver event on 25 November 2014.
Undertake publicity and advertise the MEA and MHEA schemes	Anne Canning (ESW)	31/12/2014	Complete	100%	Publicity exercise completed by Education and Comms.
Apply the MEA and MHEA policy to determine applications	Anne Canning (ESW)	31/12/2014	On target	25%	Applications are being made. The applications are being checked in accordance with the MHEA Policy. First payments to be made are scheduled between February and March 2015.
Make payments	Anne Canning (ESW)	31/01/2015	On target	0%	First payments are scheduled to be made in 2015.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Maintain investment in youth services and provision for young people	Deputy Mayor, Cllr Oliur Rahman Andy Bamber (CLC)	03/03/2015	On target	60%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Redesign and implement a new grant allocation process	Andy Bamber (CLC)	31/08/2014	Complete	100%	
Review Youth Service provision following the implementation of the restructure	Andy Bamber (CLC)	31/10/2014	Complete	100%	

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Undertake a review of administrative support functions	Andy Bamber (CLC)	31/03/2014	Delayed	20%	This has been delayed to provide a clear view of the potential impacts arising through further development of the efficiency savings programme, and potential ER/VR, affecting this and other service areas.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Provide effective support for parents and governors	Cllr Gulam Robbani Anne Canning (ESW)	31/03/2015	On target	80%	All new governors are provided with an induction pack and information on how to contact Governor Services Hotline for confidential advice. They receive invitations to meet once a term with the Director and senior officers to provide them with an opportunity to discuss progress and raise issues for discussion. A wide range of provision has been delivered to parents in schools and early years settings through a traded service model. Programmes aim to increase parental engagement to raise standards, improve outcomes and contribute to the school development plan.  All parent governors have access to the Parents Matter newsletter and are invited to termly Parent Governor Network and Parent and Carer Council meetings exploring themes requested by families.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Provide training in relation to governors' financial responsibilities including new responsibilities related to teachers' pay, to improve the governance framework	Anne Canning (ESW)	31/03/2015	Complete	100%	A workshop on governors' role in Pay Policy was delivered at the autumn term 2014 Director's Meeting with Governors by the Senior HR & WD Business Partner. Bespoke on-site finance training is available as part of the Governor Services SLA package and can be purchased separately. Schools with SLAs with Governor Services have access to an on-line training module on finance and non-SLA schools can purchase this package as a stand-alone.
Ensure new governors in community schools undertake induction training; 50% of governors newly appointed in 2013/14 to attend the course within one year of being appointed	Anne Canning (ESW)	31/03/2015	Complete	100%	Combined attendance at the LBTH induction training for new governors in May and October was 48 out of 84, i.e. 57%. Governors who have not attended will be reserved places on a future induction course.
Monitor the equality profile of governors and encourage the recruitment of under-represented groups	Anne Canning (ESW)	31/03/2015	On target	50%	All new governors are asked to complete an equalities monitoring form. Profiles are now available for 53% of governors. New Regulations introduced by government to take effect by 1st September 2015 will reduce the number of LA governors to one per governing body and hence limit the direct influence on appointments. Governing bodies will be encouraged to consider applications held by the LA for governor vacancies that occur.
Strategic Priority 2.2: Support more people into work					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Support residents into jobs through employment and skills programmes	Deputy Mayor, Cllr Oliur Rahman / Cllr Abdul Asad Andy Scott (D&R), Bozena Allen, Dorne Kanareck (ESW)	31/03/2015	On target	70%	Ongoing work
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Support 750 Tower Hamlets residents into jobs	Andy Scott (D&R)	31/03/2015 and quarterly	On target	50%	558 job outputs confirmed Q1-Q2. Future reports will retrospectively confirm additional outputs once the potential for double counting has been removed from process. Cross council reporting proposals moving ahead.
Monitor and report the equalities profile of residents securing jobs to steer provision to targeted equality groups	Andy Scott (D&R)	31/03/2015	On target	50%	Data collected via Skillsmatch and partners, including through planning and procurement arrangements/contracts. Processes for collating demographic data from sources other than Skillsmatch will be reviewed as part of the cross council reporting requirements to ensure consistency.
Establish a commercial recruitment agency for Tower Hamlets	Andy Scott (D&R)	31/03/2015	On target	50%	Working towards the first milestone for a proposal to be considered by the Executive by November 2014.

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Create a new internal partnership arrangement based on a broad SLA with key partners including Job Centre Plus and other Economic Taskforce members	Andy Scott (D&R)	31/08/2014	Complete	100%	Memorandum of Understanding agreed and signed in principle by Service Head for Economic Development and Job Centre Plus.
Progress the first phase of the development of a new integrated employment centre	Andy Scott (D&R)	31/03/2015	On target	75%	Skillsmatch Community Outreach proposal to be considered shortly.
Deliver integrated employment support services from each of the Idea Stores	Shazia Hussain (CLC)	31/03/2015	On target	70%	
Support more people aged 18-69 with learning disabilities and mental health needs into employment	Bozena Allen (ESW)	31/03/2015	Complete	100%	These placements are brokered in collaboration with Tower Project JET and Workforce Development. These placements are one day a week for one year. Training is provided which can lead to a qualification in NVQ Level 1 in Business Admin or Social Care. One person is currently placed at AGE UK. Outside of the Council, Tower Project is commissioned by the Council to broker work placements. As at the end of Q1 we have 23 people with learning disabilities in paid employment (more than 4 hours but less than 16 hours per week). We are awaiting Q2 figures to come back from Tower Project JET, so this number should increase.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Provide high quality support and training to assist young people into sustainable employment	Deputy Mayor, Cllr Oliur Rahman / Cllr Abdul Asad Andy Scott (D&R), Diana Warne (ESW), Andy Bamber (CLC)	31/03/2015	On target	78%	A snapshot of the Careers Service IYSS database for the 25th September 2014 shows we have assisted 537 young people (16-19 Tower Hamlets Residents) onto apprenticeships providing a mixture of Careers Guidance, mentoring, submission and placing support as well as aftercare to sustain placements.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Increase and improve the labour market information provided to young people, schools and parents, focusing on growth areas	Dianna Warne (ESW), Andy Scott (D&R)	31/07/2014 and quarterly	On target	50%	First Labour Market Information (LMI) report provided by Economic Development completed and handed over to Careers Service. So far developed: 1. An LMI overview for young people and their parents. 2. An LMI overview for teachers. 3. A PowerPoint presentation pack for use by teachers and careers advisers. 4. A specific sector overview dedicated to IT. A launch to all secondary schools is scheduled for November 2014 along with presentation packs for use by teaching staff in schools.
In partnership with TH EBP, develop a clear and high quality standard of work experience for young people in school for employers to sign up to	Dianna Warne (ESW)	30/09/2014	Complete	100%	Work experience JDs and expectations in place. Establishment of EBP 500 Club to provide 500 high quality work experience places Appointment of apprentice to Secondary Learning and Achievement team to have a role in liaising with schools, LA and EBP to identify types of WE required, monitor offer and take up.
Provide a minimum of 2 job fairs during the year for NEETs	Andy Bamber (CLC)	31/03/2015	Complete	100%	
Provide a Level 2 Award in Leadership for 200 young people	Andy Bamber (CLC)	31/03/2015	On target	60%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Maximise local employment and economic benefits from the Council's procurement and planning processes	Deputy Mayor, Cllr Oliur Rahman Andy Scott (D&R)	31/03/2015	On target	50%	Work continues in partnership with Procurement. Referral of procuring contract managers for advice and support taking place regularly. There is still a need for interventions to take place at an earlier stage.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Introduce cross-Council coordination of reporting on employment and enterprise agenda	Andy Scott (D&R)	30/09/2014	Delayed	30%	Report approved by DMT but requires further development prior to CMT.
Review existing contracts list to identify and secure additional benefits	Andy Scott (D&R)	31/12/2014	On target	50%	Resources for this area of work are being established as part of a current savings and resources review.
Introduce coordinated processes to increase and capture opportunities from procurement and planning processes	Andy Scott (D&R)	31/03/2015	On target	50%	Resources for this area of work are being established as part of a current savings and resources review.



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Continue to embed London Living Wage as a requirement in contracts, throughout the Council's supply chain.	Chris Holme (RES)	31/03/2015	On target	80%	LLW Accreditation secured and work in underway to get LLW incorporated into all appropriate contracts.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Support English for Speakers of Other Languages (ESOL)	Cllr Gulam Robbani / Deputy Mayor, Cllr Oliur Rahman Shazia Hussain (CLC)	31/03/2015	On target	85%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Develop the performance framework to enhance monitoring arrangements for the uptake and performance of Idea Stores Learning ESOL provision	Shazia Hussain (CLC)	30/09/2014	Complete	100%	
Carry out a review of funding options for ESOL in the borough and implement a new structure for the delivery of a sustainable ESOL programme	Shazia Hussain (CLC)	31/12/2014	On target	70%	
Strategic Priority 2.3: Manage the impact of welfare reform on local residents and maximising incomes					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Implement the Welfare Reform Temporary Accommodation Support Fund	Cllr Rabina Khan Colin Cormack (D&R)	31/10/2014	Complete	100%	Fund likely to last now until 31/3/15
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Report on fund's 6-month spend, using this data to assess fund's likely duration and number of households involved	Colin Cormack (D&R)	30/04/2014	Complete	100%	Fund likely to last now until 31/3/15
Report on measures requiring adoption to prevent over-spend of fund	Colin Cormack (D&R)	30/06/2014	Complete	100%	Report scheduled.
Delivery of adopted measures for all capped households	Colin Cormack (D&R)	31/10/2014	Complete	100%	Existing measures adopted.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Optimise use of existing funding and maximise prospects for future funding	Mayor Lutfur Rahman Dave Clark (D&R)	30/03/2015	On target	40%	Overall, the activity is progressing however there are some delays. Decisions are currently pending on a roll-over of the current MSG Programme which is likely to extend some projects. The availability of funds that are currently used as 'Match' against European funding will offer options for future project funding proposals.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Refine and develop grant management systems to improve productivity, management information and effectiveness of contract compliance monitoring	Dave Clark (D&R)	30/09/2014	Delayed	20%	The MSG Programme has recently been audited and officers are currently in the process of producing a comprehensive Grant Officers' Manual setting out processes, procedures and arrangements for improving productivity, contract compliance & monitoring etc. The revised deadline for this activity is 31 December 2014. The Manual is being updated to take into consideration recommendations from the audit as well as any lessons learned following recent investigations.
Develop the Main Stream Grants future funding programme	Dave Clark (D&R)	31/03/2015	On target	20%	Consultation on the future MSG Programme is currently underway. A consultation event with representatives from approximately 50 Third Sector Organisations took place on 13 October. Further consultation activities and events are scheduled.
Launch round 3 of the European Social Fund community grants programme	Dave Clark (D&R)	31/03/2015	On target	80%	Scoring and evaluation panel meeting complete. Awaiting sign off from European Programme management unit at the GLA to finalise the awards.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Drive the ongoing partnership wide programme around welfare reform	Cllr Rabina Khan / Cllr Alibor Choudhury Louise Russell (LPG)	31/10/2014	On target	65%	Welfare Reform multi agency task group continues to meet bi monthly. Information updates for staff and residents on welfare reform provided throughout the year through briefings and information leaflets.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Complete research into impact of welfare reform on local people	Louise Russell (LPG)	31/07/2014	Complete	100%	
Increase supply of specialist welfare benefits advice provision to support residents affected by changes in welfare benefits.	Andy Scott (D&R)	31/08/2014	Delayed	50%	Project commissioned through full procurement process - 2 new welfare benefits contracts started in June 2014 and on target to provide specialist welfare benefits advice to 400 residents by June 2015. Additional pro bono and trainee solicitor project commenced in October 2014.
Develop proposals to respond to Local Support Services Framework	Louise Russell (LPG)	31/10/2014	Complete	100%	A Memorandum of Understanding has been signed with JCP and work is being progressed in line with the Integrated Employment Service.
Develop a partnership approach to promote digital inclusion including provision of free WIFI areas	Louise Russell (LPG), Andy Scott (D&R)	31/12/2014	On target	75%	A partnership working group has been set up, a draft action plan developed and a strategy is being prepared.
Take forward recommendations of welfare reform research	Louise Russell (LPG)	31/01/2015	Complete	100%	An action plan has been developed, agreed by Cabinet in October and key activity is being delivered.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Support local businesses	Deputy Mayor, Cllr Oliur Rahman Andy Scott (D&R)	31/03/2015	On target	50%	Actions on target.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Interim report on 'fit to supply' provision	Andy Scott (D&R)	01/09/2014	Complete	100%	Complete
Increase local business database entries to 3500	Andy Scott (D&R)	30/09/2014	Complete	100%	Complete
Increase local business database entries to 7000	Andy Scott (D&R)	01/03/2015	On target	65%	
Develop forward plan for 'fit to supply' provision and business start-up initiatives	Andy Scott (D&R)	01/03/2015	On target	50%	Discussions ongoing and funding for delivery being explored.
Distribute 3 quarterly e-newsletters via Tower Hamlets business database	Andy Scott (D&R)	31/03/2015	On target	33%	First newsletter issued. Further newsletters planned for Q3 and Q4.
Deliver Business Forum event and three further targeted events	Andy Scott (D&R)	31/03/2015	On target	40%	Bethnal Green business forum event supported. Mayor's Business Forum event planned for 28 October.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Work collaboratively across London to enhance investment and opportunity	Cllr Alibor Choudhury Andy Scott (D&R)	31/03/2015	On target	50%	Work ongoing
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Secure inward investment by delivering contractual arrangements with organisations across borough boundaries or external to the borough	Andy Scott (D&R)	30/09/2014	Complete	100%	Complete
Engage with, and promote the 6 Growth Boroughs unit, to bring benefits for Tower Hamlets	Andy Scott (D&R)	30/03/2015	On target	50%	Growth Borough Unit obtained agreement for a London FSF pilot. Project is still being discussed.
Engage with and develop appropriate proposals for growth alongside the emerging London Local Enterprise Panel	Andy Scott (D&R)	30/03/2015	On target	50%	European structural and investment fund (ESIF) timeframes have slipped again due to European Commission and Government Agreement. NHB proposals submitted to London Councils/GLA, PAN London package to be presented to LEP by Hackney CEO 29th October.

<b>A Safe and Cohesive Community</b>					
Strategic Priority 3.1: Focus on crime and anti-social behaviour					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Deliver the partnership 'Violence Against Women & Girls' (VAWG) programme	Cllr Ohid Ahmed Andy Bamber (CLC)	31/03/2015	On target	65%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>100%</b>	<b>Comments</b>
Develop and analyse new performance indicators to support the anti-VAWG partnership work of the Council	Andy Bamber (CLC)	30/04/2014	Complete	100%	
Ensure that female residents have continued access to in-borough provision of Rape Crisis Services (Advice, Counselling and Advocacy)	Andy Bamber (CLC)	30/04/2014	Complete	100%	
Implement a multi-agency strategic approach to training and awareness raising in the borough for existing (VAWG) professionals	Andy Bamber (CLC)	31/03/2015	On target	50%	
Develop a dedicated curriculum and VAWG training programme for young people in schools	Andy Bamber (CLC)	31/03/2015	On target	50%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Manage the night time economy	Deputy Mayor, Cllr Oliur Rahman Andy Bamber (CLC)	31/03/2015	On target	60%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Develop an options paper for the implementation of Late Night Levies	Andy Bamber (CLC)	30/06/2014	Delayed	25%	Review with neighbouring authorities undertaken. A conversation with MOPAC on the 70:30 split of funding is outstanding.
Complete a detailed review of the costs and benefits of the adoption of early morning restriction orders	Andy Bamber (CLC)	31/03/2015	Complete	100%	
Develop a community alcohol partnership scheme to reduce sales of high strength drinks	Andy Bamber (CLC)	31/03/2015	Complete	100%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
With our partners, deliver the Partnership Community Safety Plan	Cllr Ohid Ahmed Andy Bamber (CLC)	31/03/2015	On target	50%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Complete the strategic review and equality analysis of Crime and ASB	Andy Bamber (CLC)	28/02/2015	On target	10%	
Annual review of the Community Safety Plan	Andy Bamber (CLC)	31/03/2015	On target	0%	
Ensure that the Integrated Offender Model is embedded within the Community Safety Partnership Plan	Andy Bamber (CLC)	31/03/2015	Complete	100%	
Increase the number of hate crime pledges signed, and the number of reports made by hate crime third party reporting sites	Andy Bamber (CLC)	01/03/2015	On target	50%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Work with the Police and Mayor for London to maintain and improve enforcement, CCTV and deployment of local police to improve community safety, including deployment of a mobile police centre	Cllr Ohid Ahmed Andy Bamber (CLC)	31/03/2015	On target	60%	

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Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Implement and embed a new ASB tasking and coordination process with the police for assigning community safety resources	Andy Bamber (CLC)	30/04/2014	Complete	100%	
Continue the commitment to provide additional uniformed Police presence through the continuation of funding for Partnership Task Force resources and 20 additional officers; 1 per Ward, maintaining the focus on the Dealer a Day programme.	Andy Bamber (CLC)	30/09/2014	Delayed	50%	The MTFP process delayed implementation. A meeting is scheduled with MOPAC and Police to agree content for 20 new police officers.
Launch a mobile Police centre so residents can report crimes and raise concerns face to face with police officers	Andy Bamber (CLC)	30/10/2014	Complete	100%	
Deliver 6 joint safer transport operations between April to December 2014	Andy Bamber (CLC)	31/12/2014	On target	75%	
Deliver 10 Joint Automatic Number Plate Recognition CCTV operations	Andy Bamber (CLC)	31/03/2015	Complete	100%	
Strategic Priority 3.2: Reduce fear of crime					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve the responsiveness and visibility of our ASB services	Cllr Ohid Ahmed Andy Bamber (CLC)	31/03/2015	On target	87%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Implement the new ASB 'Trigger' process in line with new legislation and MOPAC guidance	Andy Bamber (CLC)	31/10/2014	Complete	100%	
Revise ASB Landlords' policy and procedures and present them to Members	Jackie Odunoye (D&R)	31/10/2014	Delayed	75%	THH ASB policy and procedures have been revised and will be presented to the Lead Member in December 2014.
Review and refresh ASB Strategy to take into account new ASB legislation	Andy Bamber (CLC)	31/12/2014	On target	60%	
Commence ASB procedures review	Andy Bamber (CLC)	31/01/2015	Complete	100%	
Work with RSLs to develop and implement agreements for the provision of additional THEO resources to tackle estate based ASB	Andy Bamber (CLC)	31/03/2015	Complete	100%	
Strategic Priority 3.3: Foster greater community cohesion					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Celebrate our diversity with community events every month	Cllr Shafiqul Haque Shazia Hussain (CLC), Louise Russell (LPG)	31/03/2015	On target	85%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Support and deliver 120 community events with an attendance of over 100	Shazia Hussain (CLC)	31/03/2015	On target	80%	
Deliver a programme of events which celebrate the diversity of the local community including:					
Black History Month	Louise Russell (LPG)	30/09/2014	Complete	100%	
Interfaith Week		30/11/2014	On track	75%	
International Day for Disabled People		31/12/2014	On track	75%	
LGBT History Month		20/02/2014	On track	75%	
International Women's Week		31/03/2015	On track	75%	

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Support the celebration of World Food Day on October 16th as part of the annual events programme.	Shazia Hussain (CLC)	31/12/2014	On target	25%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Deliver the Mayor's One Tower Hamlets Fund scheme	Mayor Lutfur Rahman Louise Russell (LPG)	31/12/2014	On target	75%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Complete evaluation of 2014 One Tower Hamlets Fund and present to the Tower Hamlets Equalities Steering Group	Louise Russell (LPG)	31/10/2014	Delayed	75%	The start date of the projects were delayed, they are now due to conclude in December 2014. An interim report on progress to date will be provided to THESG.
Advertise One Tower Hamlets Fund	Louise Russell (LPG)	30/11/2014	On target	0%	The advert is scheduled for end of November.
Evaluate and award funding	Louise Russell (LPG)	31/12/2014	On target	0%	
<b>A Healthy and Supportive Community</b>					
Strategic Priority 4.1: Reduce health inequalities and promote healthy lifestyles					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Develop and implement a Women and Health employment programme focusing on the priority of Maternity and Early Years	Deputy Mayor, Cllr Oliur Rahman / Cllr Abdul Asad Andy Scott (D&R)	31/03/2015	Delayed	44%	Programme developed and first cohort ready to be recruited. Marketing of vacancy on hold pending further discussions.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Introduce programme Steering Group monthly meetings	Somen Banerjee (Public Health)	30/06/2014	Complete	100%	This activity is complete and well established.
Recruit 100 women	Andy Scott (D&R)	31/01/2015	Delayed	25%	Programme developed and first cohort ready to be recruited. Marketing of vacancy on hold pending further discussions.
Ensure 100 training courses started	Andy Scott (D&R)	31/01/2015	Delayed	25%	Programme developed and first cohort ready to be recruited. Marketing of vacancy on hold pending further discussions.
Deliver 100 placements started	Andy Scott (D&R)	31/03/2015	Delayed	25%	Programme developed and first cohort ready to be recruited. Marketing of vacancy on hold pending further discussions.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Support young people to live healthy lives	Cllr Gulam Robbani / Cllr Abdul Asad Anne Canning (ESW)	31/03/2015	On target	70%	This activity is progressing well with a number of milestones complete and others on track for successful completion

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Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Ensure 90% of Tower Hamlets schools have registered with the GLA's Healthy Schools London Award Scheme	Anne Canning (ESW)	01/03/2015	Complete	100%	100% of Tower Hamlets schools have registered with the GLA's Healthy Schools London Award Scheme
Deliver healthy eating and physical activity training to 150 school staff	Anne Canning (ESW)	31/03/2015	On target	57%	85 school staff have received healthy eating and physical activity training as at end of September 2014
Provide healthy eating and physical activity support to 25 schools	Anne Canning (ESW)	31/03/2015	Complete	100%	36 schools have received support around healthy eating and physical activity - this is above target.
Support 15 schools to achieve Advanced Healthy School Status	Anne Canning (ESW)	31/03/2015	Complete	100%	25 schools are working towards achieving or maintaining Advanced Healthy Schools Status - this is above target.
Develop a new model of Tier 2 mental health support to schools, children's centres, colleges and youth services, in partnership with Tower Hamlets CCG	Anne Canning, Richard Fradgley (ESW)	31/03/2015	On target	75%	Currently developing a business case for the Tier 2 model - plans should be finalised by January 2015.  Development of an outcomes based contract is underway as well as stakeholder engagement, with emphasis on children, young people and their parents, to help gather the evidence base.
Ensure the provision of focused contraception and sexual health services and the delivery of SRE in school and community settings	Somen Banerjee (Public Health)	31/03/2015	Complete	100%	This is complete and the service has been recommissioned.
Implement the CCG review of health support services for Looked After Children and increase the proportion of LAC attending health assessments and dental checks to 90%	Steve Liddicott (ESW)	31/03/2015	On target	50%	New procedures drafted and need to be signed off. Regular meetings with health partners are held to address ongoing issues.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Embed integrated governance arrangements through the Tower Hamlets Health and Wellbeing Board to maximise health and wellbeing outcomes	Mayor Lutfur Rahman / Cllr Abdul Asad Louise Russell (CE), Dorne Kanareck (ESW), Somen Banerjee (Public Health)	31/03/2015	On target	50%	This is tied to the function of the board and is an ongoing piece of the work. The milestones below have been embedded into the HWBB's work programme for 2014/15 and the board will continue to monitor progress.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Provide support in the embedding of the commissioned Healthwatch service	Louise Russell (CE), Dorne Kanareck (ESW)	31/03/2015	On target	50%	Ongoing. An SPP officer is supporting Healthwatch with their forward planning and work programme development.
Use the Tower Hamlets Health and Wellbeing Board meetings to track NHS proposals and changes that will impact Tower Hamlets residents and devise plans with health partners to mitigate adverse consequences	Dorne Kanareck (ESW)	31/03/2015	On target	50%	This is a core function of the HWBB. Currently Tower Hamlets CCG is reviewing the provision of health services in Tower Hamlets and East London as a whole, in partnership with neighbouring Boroughs. The board is receiving regular updates and will continue to monitor this piece of work.
Work with Tower Hamlets CCG to target the use of the Better Care Fund on preventative services that reduce unnecessary hospital admissions	Dorne Kanareck, Bozena Allen (ESW)	31/03/2015	On target	50%	The Better Care Fund (BCF) Plan was resubmitted to NHS England on the 19th September and is currently undergoing moderation. This piece of work is on target.
Deliver a programme of co-production with local residents initiated around type 2 diabetes and cardiovascular disease	Somen Banerjee (Public Health)	30/06/2014	Complete	100%	This programme of work is complete
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Use Public Health expertise within a Council and Partnership-wide approach to reduce health inequalities for all sections of the community	Mayor Lutfur Rahman, Cllr Abdul Asad Louise Russell (LPG), Somen Banerjee (Public Health), Andy Bamber (CLC)	31/03/2015	On target	80%	Public Health oversees the HWBB and the works with LPG on oversight of the delivery of the HWB Strategy. The refresh of the HWBS action plans (from November) provides a further opportunity to embed PH expertise across the council. The permanent DPH appointment is planned in December.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Develop, agree and implement a 'food for health' action plan	Andy Bamber (CLC)	31/07/2014	Complete	100%	Action Plan agreed with Public Health (the commissioners) and is being delivered

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Identify roles and responsibilities across the Council for Public Health Outcomes Framework indicators and align with JSNA and Health and Wellbeing Strategy	Louise Russell (LPG), Somen Banerjee (Public Health)	31/03/2015	On target	75%	Roles and responsibilities across the council (and partners) for all PHOF indicators have been identified. These are reflected in the Health and Wellbeing Strategy and will inform the refreshed action plan
Support 2900 people to quit smoking.	Somen Banerjee (Public Health)	31/03/2015	On target	50%	We await data for Q2 but are expecting at least 800 quits for end September (lagged quarterly data). Q1 was slightly below planned trajectory but we expect the Stoptober programme to boost quits
Tender and award Public Health commissioned services	Somen Banerjee (Public Health)	31/06/2014	Delayed	80%	Most services have now been tendered and awarded.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Invest in the borough's leisure facilities and playing pitches	Cllr Abdul Asad Shazia Hussain (CLC)	31/03/2015	On target	70%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Enhance existing provision including: replacing artificial turf (Stepney Green Park and John Orwell Sports Centre), resurfacing tennis courts (St. John's Park) and replacing floodlights (Stepney Green Park, St. John's Park and John Orwell Sports Centre)	Shazia Hussain (CLC)	31/03/2015	On target	95%	
Complete improvements at Victoria Park, including to changing rooms and cricket wickets	Shazia Hussain (CLC)	31/03/2015	On target	50%	
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Deliver free school meals for all primary pupils in the borough through supplementing the government's Universal Infant Free School Meals programme	Cllr Abdul Asad Kate Bingham (ESW)	31/07/2014	Complete	100%	Each pupil based in years Reception to Year 2 are now receiving a hot free school meal. This meets or exceeds the Government's nutritional and food based guidelines (as part of the Coalition Government's Universal Free School Scheme). In addition to the Government's scheme, all pupils in Years 3-6 are also receiving free school meals if they are not already entitled under the statutory scheme.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Assess catering staffing needs on school by school basis (J==	Kate Bingham (ESW)	31/07/2014	Complete	100%	Whilst initial staffing needs were assessed ahead of the start of the project, there will be a continuous review of staffing levels throughout the coming months.
Recruit additional staff through Skillsmatch=	Kate Bingham (ESW)	31/07/2014	Complete	100%	81 new staff were recruited. Not all are in post as yet as references and DBS checks are still being sought.
Publicise scheme to parents of all Primary children	Kate Bingham (ESW)	31/07/2014	Complete	100%	Letter was sent to all schools for onward distribution to all parents. Articles published in East End Life. The new menu for November 2014 will feature a parents pack which will explain the scheme again in detail.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Work with people with drug and alcohol dependencies to break the cycle of substance misuse	Cllr Ohid Ahmed Andy Bamber (CLC)	31/03/2015	Overdue	60%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Review the commissioned services with Public Health, taking account of any significant variation in treatment outcomes for equality groups	Andy Bamber (CLC) / Somen Banerjee (Public Health)	31/05/2014	Complete	100%	Commissioned services were reviewed over 2013/14 for procurement in 2014/15
Complete Drug & Alcohol Service re-provisioning	Andy Bamber (CLC) / Somen Banerjee (Public Health)	31/01/2015	Overdue	20%	The specifications for tender have been completed. However, this milestone has been delayed. Ready to be advertised once budget signed off but this milestone is unlikely to be completed before year end.

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Strategic Priority 4.2: Enable people to live independently					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve support to Carers	Cllr Abdul Asad Bozena Allen / Dorne Kanareck (ESW)	31/03/2015	On target	55%	Most contracts have been reviewed and re-tendered. The 'carers break' contracts are outstanding. Some support- such as working closer with GPs and carers register - saw less progress as the carers plan implementation work streams were discontinued.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Complete the commissioning actions within the Carers Three Year Plan – including improving access to employment for carers	Bozena Allen, Dorne Kanareck (ESW)	30/09/2014	Delayed	60%	Apart from the carers breaks expected to be in place by the end of the calendar year, all recommissioning has been completed with contracts starting 1 April 2014.
Review the introduction of carers' budgets to give carers control over the services they choose to receive in the context of the Care Bill	Bozena Allen, Dorne Kanareck (ESW)	31/03/2015	On target	50%	Carers one-off Direct Payments have been very successful in supporting carers to maintain their caring role. As an integral part of the Carers Act workstream, this workstream will be further developed.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve the customer journey by embedding the principles of choice and control	Cllr Abdul Asad Bozena Allen / Dorne Kanareck (ESW)	31/03/2015	On target	80%	<ul style="list-style-type: none"> <li>The Adult Customer Journey was implemented approximately 2 years ago with the aims of improving access to services and offering increased choice and control in delivery of care services.</li> <li>There has been a significant drive and evidenced performance improvements in the uptake of personal budgets. See relevant milestone.</li> <li>The principle of 'choice and control' is in place and checked at assessments and reviews. An action plan is in place for Winterbourne actions and implemented at reviews. Outstanding reviews means that CLDS are not yet fully compliant with this action.</li> </ul>
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Complete the implementation of the new 'Customer Journey' for the community learning disability service	Bozena Allen, Dorne Kanareck (ESW)	30/06/2014	Complete	100%	The customer journey is now live. The new journey process is beginning to increase efficiency by adhering to customer journey time scales. Customers are seen in a timely manner through the creation of a Front Door Team. Health staff are involved by providing a care coordination role. The Longer Term Support team are delivering improved outcomes as agreed by commissioner and the service.
Complete the refresh on the market position statement and approach to social care market locally in line with requirements of the Care and Support Bill	Bozena Allen, Dorne Kanareck (ESW)	31/07/2014	Delayed	90%	Final user acceptance testing expected to take place end of September and launch scheduled for late October 2014.
Launch the e-marketplace to enable people to purchase health and social care services over the internet	Bozena Allen, Dorne Kanareck (ESW)	30/09/2014	Delayed	90%	Final user acceptance testing in progress and launch scheduled for October 2014.
Implement phase 2 of the development of a Quality Standards Framework for non-regulated services	Bozena Allen, Dorne Kanareck (ESW)	30/12/2014	On target	80%	On target. Frameworks and materials developed for most categories, with others in progress.



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Review take-up of self directed and direct support in giving users control over the services they choose to receive	Bozena Allen, Dorne Kanareck (ESW)	31/03/2015	On target	75%	<ul style="list-style-type: none"> <li>An analysis of the underlying 2013/14 service user data has been carried out to understand how further improvement can be achieved for maximising the uptake of self directed support. An action has been devised which will seek to target areas where a change in approach or recording practice could lead to an improvement that would reach the current national target.</li> <li>The national target is 70%, reflecting the fact that certain service types within the indicator definition are not appropriate for delivery through self-directed support (e.g. "professional support" services offered to service users with mental health support needs). Both the London (67.5%) and national (62.1%) average for the 2013/14 period are below the 70% target.</li> <li>In 2013/14, 60% of adult social care service users (exc. carers) received self-directed support. Our current performance, for the rolling year ending September 2014, is 62.4% - so it should be noted that improvement has continued, though at a slower pace than previous years.</li> </ul>
Re-commission mental health services to improve their ability to enable people to live safe, independent and fulfilled lives in the community	Bozena Allen, Dorne Kanareck (ESW)	30/03/2015	On target	60%	Developing refreshed day opportunities and support services for adults of working age with mental health problems is underway. This project will ensure that Pritchards Road Day Centre and voluntary sector services currently commissioned by the Council and the CCG work well together and with statutory services to promote better access and recovery. This project is part of the Council's savings plans.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Enable personalised support for the borough's most vulnerable residents	Cllr Abdul Asad Bozena Allen / Dorne Kanareck (ESW)	31/03/2015	On target	75%	Activities are either complete or on track - see below for details.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Develop a strategic framework to address the issues of social inclusion and health and within this context review open access/prevention services including the Borough's network of lunch clubs and tea dance events.	Dorne Kanareck, Somen Banerjee (ESW)	31/12/2014	Complete	100%	A strategic review of lunchclubs has been undertaken, looking at the contribution they make to addressing social isolation, good health and wellbeing. The review looked at the spread across the borough and addresses areas of inequity. The approach has been endorsed by DMT and will now contribute to the Corporate Review of Mainstream Grants.
Create an equipment demonstration centre to support independence and wellbeing	Bozena Allen (ESW)	31/12/2014	On target	60%	<ul style="list-style-type: none"> <li>Pritchards Road site - the costings of conversion for this site to be a demonstration centre were estimated at £180k mark. LB of Hackney had originally been interested in jointly funding this venture which would have made the costings more tolerable. On further discussion with them around the terms of their financial input they withdrew, although are tentatively interested in other arrangements. Based on LBTH funding the entire scheme, and its high cost, the benefits of using this particular site were reconsidered and it was agreed that we should look at whether there were any other premises that would be more cost – effective to convert.</li> <li>Care takers house at the PDC on Bethnal Green Road has become vacant – this is considered as an alternative to Pritchards Road. This is located within the secure car park of the PDC so is not a property that could be converted to lease to a resident. It is a house on two levels which makes it more like the home environment that we were seeking but it does need some internal re organisation in terms of layout. Some of the premises management needs could be supported by the PDC and they are broadly agreeable to these at this stage. This is currently at the early stages of feasibility and will need costing.</li> </ul>

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Implement the strategy on the development of new supported accommodation for people with mental health needs who need high end support	Dorne Kanareck (ESW)	31/03/2015	On target	75%	<p>The HWBB approved the borough Mental Health Strategy in February 2014 and delivery of the strategy's commitments is currently underway.</p> <ul style="list-style-type: none"> <li>The final year of the Council and CCG's accommodation strategy for working age adults with a mental health problem, improving in-borough supported accommodation so that people can move from out of borough residential care. This project has a £1.6m savings attached to it as part of the Council's current savings plan</li> </ul>
Implement the Mental Health Strategy with emphasis on addressing mental health inequalities and establishing a life course approach to mental health	Dorne Kanareck (ESW)	31/03/2015	On target	75%	<ul style="list-style-type: none"> <li>Developing a new health and social care service model for children and young people with mental health problems. It is anticipated that a draft model will be complete by January 2015. This project will consider the most effective means of ensuring that mental health has a high profile, and is managed effectively, in schools. A pilot project is underway in Mamer Primary School to establish a new, earlier and more effective way of responding to children at risk in successfully managing their forthcoming transition to secondary school in years 4 and 5.</li> </ul>
					<ul style="list-style-type: none"> <li>Developing primary care orientated, community based, mental health service for adults of working age and older people is also underway. This includes increasing the capacity of primary care based mental health services including social care for working age adults, and more integrated physical and mental health services for older people with complex health and social care problems at risk of going to hospital.</li> </ul>

Strategic Priority 4.3: Provide excellent primary and community care

Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Deliver integrated working between health and social care	Cllr Abdul Asad Dorne Kanareck / Bozena Allen (ESW)	31/03/2015	On target	75%	This piece of work is at the final stage; the drawing up of a section 75 agreement between the Council and Tower Hamlets CCG. This should be completed by Spring 2015.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Work with health partners to establish the governance for the integrated care programme and agree the role of the local authority	Bozena Allen, Dorne Kanareck (ESW)	30/09/2014	Complete	100%	This was done in advance of submitting the BCF plans on the 19th September 2014.
Work with Tower Hamlets Health and Wellbeing Board members to implement an action plan on addressing housing as a wider social determinant of health	Bozena Allen, Dorne Kanareck (ESW)	30/09/2014	Complete	100%	The action plan has been fully implemented and the relationship between Health, Housing and Social Care is being taken forward alongside the Care Act Programme.
Agree Council Policy on integrated care pathways	Bozena Allen, Dorne Kanareck (ESW)	31/12/2014	On target	50%	Ongoing piece of work and is predominately tied in with the Better Care Fund implementation work and the drawing up of a section 75 agreement between the Council and Tower Hamlets CCG.
Utilise the Better Care Fund to provide integrated health and social care services to service users	Bozena Allen, Dorne Kanareck (ESW)	31/03/2015	On target	50%	Once again this is tied in with the drafting of a section 75 agreement between the Council and Tower Hamlets CCG. The deadline is the 1st April 2015.

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Strategic Priority 4.4: Keep vulnerable children, adults and families safer, minimising harm and neglect					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Work together to protect vulnerable adults	Cllr Abdul Asad Bozena Allen(ESW)	31/03/2015	On target	80%	Activities either complete or on track for target delivery date.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Establish a working relationship between SAB and the HWBB; including the establishment of a written protocol	Bozena Allen(ESW)	30/09/2014	Complete	100%	A Protocol in support of the relationship between the Tower Hamlets Health and Wellbeing Board, the Tower Hamlets Local Safeguarding Children Board and the Tower Hamlets Local Safeguarding Adults Board was agreed at a HWBB meeting on 24th March 2014. This is published under Council and democracy section of the Council's website.
Continue to develop the Safeguarding Adults Board role in monitoring and reviewing the multi agency response to safeguarding vulnerable adults	Bozena Allen(ESW)	31/03/2015	On target	50%	Work continues to be ongoing through SAB's regular meetings, but will change once the Care Act final guidance is published.
Ensure local agencies comply with the Winterbourne Actions	Bozena Allen(ESW)	31/03/2015	On target	90%	Action is co-ordinated through the local Adult Social Care Pan-Provider Forum and review of cases. This is attended by public statutory bodies -LBTH and NHS commissioning staff - as well as other local providers of services.  The Council can advise where to apply Deprivation of Liberties Safeguards (DoLS) and 'Best Interest decisions'. So far, all Borough Homes have been contacted and DOLS explained to them. Future proactive work has been identified for those outside of London, where the service could start contacting LD homes regarding DOLS outside of LBTH. At present the priority is older people homes as these homes are the largest.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Provide proportionate support to vulnerable children and families	Cllr Gulam Robbani Steve Liddicott (ESW)	31/03/2015	Delayed	48%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Implement the revised Public Law Outline and Court Work procedures to ensure that care proceedings take an average of 26 weeks	Steve Liddicott (ESW)	30/09/2014	Delayed	75%	The national Family Justice review revised the way the family courts work by simplifying it into a single court service. The local response was to set up the Court Work Project Board in 2013 to reduce the duration of our care proceedings. This Board has overseen the review of the family service through the revision of templates and reviewing procedures, with the object of increasing the quality of care proceeding applications and reducing the time. The practice change means that social work statements and the quality of 'live' evidence has improved the depth of social work practice through a social work culture change programme. The performance of care cases that are at risk of being delayed or are delayed is managed with other partners such as CAFCASS, the judiciary and the court case management system.  Materials have been developed to improve children representation and participation in the court process. Internally, a project social worker and the legal team track delays in performance on a monthly basis, and check accuracy, and this is presented to the Project Board on a bi-monthly basis for performance monitoring.  In Oct 2014, the length of time that care proceedings takes is down to 30 weeks.

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Implement the use of the Signs of Safety tools across all agencies to ensure that an effective risk analysis is made to enable families to receive proportionate support at an early stage	Steve Liddicott (ESW)	30/09/2014	Delayed	50%	Tower Hamlets, together with seven other local authorities and Eileen Munro (through Munro, Turnell and Murphy Child Protection Consulting) has been successful in a bid to the DfE Innovations Fund to take forward the implementation of the Signs of Safety Practice Framework.  Signs of Safety steering group overseas project implementation. Two health and nine social care staff completed a five day residential training programme to champion practice improvements. Signs of Safety grant bid was successful to support whole systems implementation.
Complete the evaluation of the impact of the Tower Hamlets Multi-Agency Safeguarding Hub (MASH) and the impact of using the thresholds identified in the revised Family Wellbeing Model	Steve Liddicott (ESW)	31/12/2014	On target	30%	An evaluation has been undertaken, but is not completed as yet. There was a considerable delay in implementing the new contact / referral episode and the Mash episode which has held up implementation. There needs to be further discussion about the evaluation and it may be that it needs to be undertaken again with a revised and more focused evaluation plan which also covers the impact of using the thresholds identified in the revised Family Wellbeing Model. This is therefore an ongoing piece of work.
Implement the recommendations from the Children with Disabilities Joint Strategic Needs Assessment	Steve Liddicott (ESW)	31/03/2015	On target	50%	Actions reported through governance structures, with progress on transition into adulthood (handbook), outdoor play facilities, CCNT training post to improve short breaks for CWD with continuing care needs, continence service launch and housing allocation for high need cases. CAMHS review is addressing LD needs.
Integrate the learning from the Troubled Families Programme into Service Plans for 2014/15 to achieve one or both of the following outcomes: social work assessments and plans to include evidence that wider family needs had been considered eg. community or environmental factors; a reduction in the number of different professionals working with families through collective responsibility to meet the needs of children	Steve Liddicott (ESW)	31/03/2015	On target	30%	On track for target delivery.
Develop a Gangs strategy to keep our young people away from gang culture	Steve Liddicott (ESW)	31/03/2015	On target	50%	The work on developing the Gangs Strategy is currently in progress. A position paper has been drafted highlighting what and how services are being offered to young people who are at risk of gang involvement and serious youth violence.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Introduce improvements to the adoption system	Cllr Gulam Robbani Steve Liddicott (ESW)	31/03/2015	On target	50%	Milestones on course to be delivered as per target date
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Reduce the number of children awaiting permanent adoption through adoption, special guardianship or long-term fostering	Steve Liddicott (ESW)	31/03/2015	On target	50%	A monitoring process was recently begun where the Council is working with the East London Family Court Service to reduce the duration of care proceedings through case tracking and monthly monitoring.
Achieve an increase in the pool of adopters through contributing to the pan-London recruitment campaign	Steve Liddicott (ESW)	31/03/2015	On target	50%	LBTH is an active member of the pan- London recruitment of adopters campaign. The service is awaiting approval for the go-ahead with its financial contribution to fund national adverts through media such BBC London and ITV.
Reduce the average number of days between Tower Hamlets receiving court authority to place a child for adoption and then deciding on a match to an adoptive family to less than 100 days	Steve Liddicott (ESW)	31/03/2015	On target	45%	Work is underway to reduce the average number of days in matching a child to an adopter. There are a number of events planned to promote and match children to potential adopters. Events taking place for children in Oct and Nov are a) 6th Oct : Adoption Register Exchange Event in London; b) 1st Nov: Adoption Activity Day in London; c) 3rd Dec: Consortium Exchange Event in Stratford

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<b>One Tower Hamlets</b>					
Strategic Priority 5.1: Reduce inequalities					
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Employ a workforce that fully reflects the community it serves	Deputy Mayor, Cllr Oliur Rahman Simon Kilbey (RES)	31/03/2015	On target	50%	The WFTRC action plan is embedded within the organisation and is reviewed on a quarterly basis.
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Deliver on the Workforce to Reflect the Community targets	Simon Kilbey (RES)	31/03/2015	On target	50%	Q2 assessment of achievements against targets has been analysed.
Introduce the 'Take a Chance Scheme' new recruitment initiative	Simon Kilbey (RES)	31/03/2015	Complete	100%	Scheme has been introduced.
Support the Navigate programme with progression or development for 50% of participants, encouraging participation from all groups to reflect the workforce	Simon Kilbey (RES)	31/03/2015	On target	50%	Q2 report will be presented to People Board in November
Support 50 apprentices in vocational training by identifying placements across directorates, encouraging participation from all groups to reflect the community	Simon Kilbey (RES)	31/03/2015	On target	25%	Recruitment of the next cohort of apprenticeships will be undertaken in Q3
Increase the proportion of temporary workers resourced from the local community by utilising Tower Hamlets in-house temporary resourcing service (ITRES) and encouraging participation from all groups to reflect the community	Simon Kilbey (RES)	31/03/2015	On target	50%	This milestone is on track
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Double the number of pre apprenticeships at the Council for disabled residents from 10 to 20 each year	Deputy Mayor, Cllr Oliur Rahman Simon Kilbey (RES)	31/03/2015	On target	25%	Recruitment of the next cohort of pre apprenticeships will be undertaken in Q3
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Two recruitment campaigns to take place on an annual basis for disabled residents to support them into employment or vocational studies	Simon Kilbey (RES)	31/03/2015	On target	25%	Recruitment of the next cohort of pre apprenticeships has been discussed and will be undertaken in Q3
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Coordinate and support the implementation of the recommendations arising from the Tower Hamlets Fairness Commission	Mayor Lutfur Rahman Louise Russell (LPG)	31/12/2014	Complete	100%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Council response to the Fairness Commission recommendations presented at Cabinet	Louise Russell (LPG)	30/04/2014	Complete	100%	
Progress report on implementation of the Fairness Commission recommendations presented at Cabinet	Louise Russell (LPG)	31/12/2014	Complete	100%	Completed ahead of schedule - due to November Cabinet.
<b>Activity</b>	<b>Lead Member, Lead Officer and Directorate</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Refresh our strategies around diversity and cohesion	Mayor Lutfur Rahman Louise Russell (LPG)	31/12/2014	On target	60%	
<b>Milestone</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>% Comp</b>	<b>Comments</b>
Report on response of recommendations of the EFLG to CMT	Louise Russell (LPG)	30/09/2014	Delayed	75%	Meeting schedule did not allow reporting until December Cabinet - now on track.
Review of our cohesion and equality strategies to CMT	Louise Russell (LPG)	31/03/2015	On target	50%	Initial scoping work underway.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Ensure that 'Every Voice Matters'	Cllr Aminur Khan Louise Russell (LPG)	31/03/2015	On target	80%	
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Identify areas where disabled people will be involved in co-designing responses to areas of inequality for disabled people agreed through the Local Voices work programme	Louise Russell (LPG)	30/04/2014	Complete	100%	Through the Local Voices Steering Group. Three areas have been identified for 2014: 'getting out and about', social care, and welfare reform.
Present Local Voices progress report to Tower Hamlets Equalities Steering Group	Louise Russell (LPG)	31/03/2015	On target	75%	
Refresh mechanisms for involving local LGBT residents in the design, delivery and scrutiny of local services	Louise Russell (LPG)	31/03/2014	On target	75%	
Review mechanisms for involving local faith communities	Louise Russell (LPG)	31/03/2014	On target	75%	
Strategic Priority 5.2: Work efficiently and effectively as One Council					
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Work with managers to improve and reduce staff sickness absence	Cllr Alibor Choudhury Simon Kilbey (RES)	31/03/2015	On target	50%	Ongoing, although there has been a recent rise in the average sickness figure, however HR are supporting those managers in areas of high sickness to support them in taking appropriate action
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Ensure that Directorate People Panels (DPPs) meet monthly to effectively review absence data	Simon Kilbey (RES)	31/03/2015	On target	50%	Each directorate has regular panel meetings which discuss absence data and provides support to managers in areas where sickness levels are high.
Support managers to review staff sickness absence statistics in conjunction with HR business partners and begin taking formal action under the policy	Simon Kilbey (RES)	31/03/2015	On target	50%	Business Partners meet regularly with managers to discuss progress of sickness cases to support managers in taking appropriate and timely action in line with the managing sickness absence procedure.
Work with the People Board Operations group to identify specific actions to support managers in areas of high sickness absence to ensure best practice is shared	Simon Kilbey (RES)	31/03/2015	On target	50%	The People Board Operations regularly scrutinises sickness performance and looks at ways to support managers in areas where sickness is high, to ensure best practice is shared.
Monitor and support managers to access the HR self service to record sickness absence data and take appropriate action	Simon Kilbey (RES)	31/03/2015	On target	50%	HR have been supporting managers to access sickness reports on their staff via HR self service and business objects.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Develop the strategic ICT partnership	Cllr Alibor Choudhury Shirley Hamilton (RES)	31/03/2015	On target		
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Develop and publish a 3 year ICT Strategy (2015-2018) and Strategic Implementation Plan agreed by the Strategic Partnership Board	Shirley Hamilton (RES)	31/03/2015	On target	80%	Strategy completed in draft, consultation carried out, amended as a result. Strategy to go to next Strategic Partnership Board for approval.
Stabilise the Council's ICT environment working in conjunction with Agilisys, fully embedding the VDI system and any future migration	Shirley Hamilton (RES)	31/03/2015	On target		Recent ICT outages have shown the need for escalation on these matters with senior Agilisys Execs. This following a period of increased stability which has not been maintained. There have been 2 days service outage within the financial year.
Ensure compliance with the new national PSN ICT security requirements and minimise disruption to Council services	Shirley Hamilton (RES)	31/03/2015	On target	80%	2014 submission made in time, awaiting results.

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Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve revenue collection	Cllr Alibor Choudhury Roger Jones (RES)	31/03/2015	On target	50%	On target to increase yields for 2015/16
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Implement the Optimisation Programme that will focus on improving collection of debt, data management and managing growth with improved yield from the rate base and tax base	Roger Jones	31/03/2015	On target	50%	A procurement exercise is underway to appoint suppliers for Ratebase Management and a Proof of Concept being written for data management across data streams
Implement the Council Tax Discount award scheme, to support low income households who are entitled to partial council tax support	Roger Jones	31/05/2014	Delayed	95%	A majority of those entitled to this discount have now received it.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Develop Progressive Partnerships to further the Mayor's social objectives	Cllr Alibor Choudhury Zamil Ahmed (RES)	31/03/2015	On target	50%	Business Charter to be announced at Mayor's Business Forum event on 28 October.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Introduce smarter sourcing practices to support SMEs, deliver savings and increase compliance	Zamil Ahmed (RES)	31/03/2015	On target	60%	Detailed procurement expenditure analysis has been completed for 13/14 and 14/15. Spend is monitored and reported quarterly to identify opportunities for SMEs, collaboration and cross-directorate savings opportunities. A number of cross directorate procurement projects are underway as parts of the service challenge programme. Directorate Procurement Dashboards has been developed to increase transparency and drive compliance.
Launch the local supply chain initiatives to stimulate the local economy	Zamil Ahmed (RES)	31/03/2015	On target	40%	Analysis of local supply base has been completed and a targeted campaign is planned to get local suppliers registered onto the portal. Financial requirements have been reviewed to allow greater engagement of SMEs and procurement training workshops has been held for third sector organisations.
Promote ethical sourcing and sustainability: aim to achieve WWF Silver Status for the purchasing of sustainable timber products	Zamil Ahmed (RES)	31/03/2015	On target	50%	London Living Wage Accreditation has been attained and work is underway to progress the WWF Sustainable Timber Silver Status
Develop a 'Business Charter' for Tower Hamlets through which local businesses commit to 'buy local, employ local, support local'	Andy Scott (D&R)	31/03/2015	On target	50%	Business Charter to be announced at Mayor's Business Forum event on 28 October.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Improve customer satisfaction and value for money	Cllr Alibor Choudhury Keith Paulin (RES)	31/03/2015	On target	50%	See milestone comments below, delays in implementing parking permits on line have impacted on progress.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Develop improved transparency and reporting mechanisms in line with the Code of Recommended Practice on Data Transparency & Local Audit & Accountability Bill	Kevin Miles (RES)	31/12/2014	On target	50%	Corporate finance has referred the required items to be published to the appropriate Council departments (Parking, Property, HR and Internal audit). It should be possible for those departments to have most of the information ready by the end of December. There is, however, a large amount of property information required which will be difficult to collate.
Improve customer satisfaction levels with reduced budget	Keith Paulin (RES)	31/03/2015	On target	50%	Customer satisfaction shows year-on-year improvement for Q1 (up from 89.55% in 13/14 to 91.31% in current year) and Q2 (up from 89.34% to 89.39%).
Develop self-service online options to reduce demand and cost, including implementing an online process for housing benefits and parking permits	Keith Paulin (RES)	31/03/2015	Overdue	25%	Benefits self-service telephony in place but implementation of on-line parking permit applications by CLC/P&MS delayed to Q3, which will have an impact on delivery.
Develop methods of measuring satisfaction with automated/online services	Keith Paulin (RES)	31/03/2015	Complete	100%	Satisfaction survey for self-service customers now in place and being monitored.

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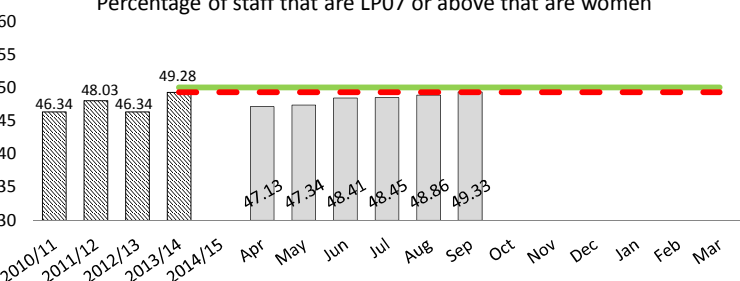
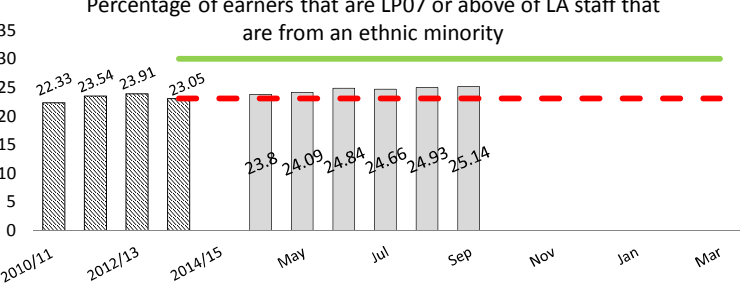
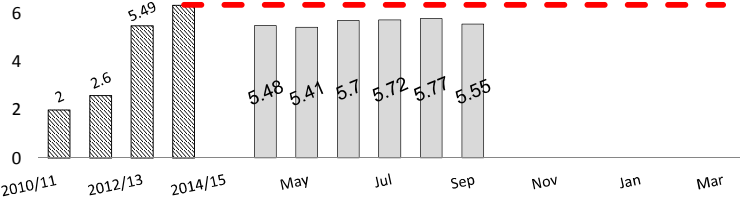
Monitor how staff are dealing with customers and provide training where appropriate	Keith Paulin (RES)	31/03/2015	On target	50%	Bespoke in-house training on customer service delivered to OSS in Q2. Planned delivery of training to THCC in Q4. Quality monitoring and mystery shopping in place. For One Stop Shops, independent mystery shoppers carry out two rounds of assessments per year (July/February), each round comprising 40 visits. For Contact Centre, team leaders listen to five recorded calls per adviser every two months, feeding back results to each adviser and focussing on improving poorer performers.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Make better use of our buildings and other public assets	Cllr Alibor Choudhury Ann Sutcliffe (D&R)	31/03/2015	Overdue	50%	Delays in implementing the Corporate Landlord Model, set out below, have had a consequent impact upon other milestones within the activity.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Implement the Corporate Landlord Model	Ann Sutcliffe (D&R)	30/04/2014	Overdue	50%	A project board meeting has been held to identify project blockages and agree a timescale for transfer of roles and budget/people allocations. The implementation of the CLM is now scheduled for 01/04/2015 following the transfer of resource allocations.
Renew Asset Strategy	Ann Sutcliffe (D&R)	31/05/2014	Overdue	50%	Delays in implementing the Corporate Landlord Model, set out above, have had a consequent impact upon the revision of the Asset Strategy, This is now anticipated to be revised and approved by 01/07/2015.
Commence work on Civic Centre	Ann Sutcliffe (D&R)	30/06/2014	Overdue	75%	Purchase of the site from NHS Barts has yet to complete due to delays on their side. Works on the site are now estimated to commence in Dec 2016.
Implement client / provider structure	Ann Sutcliffe (D&R)	30/09/2014	Overdue	50%	Delays in implementing the Corporate Landlord Model, set out above, have had a consequent impact upon the operational milestone of implementing the client / provider structure to deliver the model. This is now anticipated to be delivered by 01/08/2015.
Commence disposal strategy of surplus assets	Ann Sutcliffe (D&R)	30/09/2014	Overdue	50%	Cabinet approved disposal programme is an intended work stream flowing from the approved/adopted corporate asset strategy which has yet to be ratified. The delivery method for funding the new civic centre from asset disposals has also yet to be agreed. It is anticipated that disposals will commence upon ratification of the revised Asset strategy c. 31/06/15.
Commence soft market testing on procurement options for Civic Centre	Ann Sutcliffe (D&R)	30/09/2014	Overdue	50%	Work on the site is expected to commence in December 2016. This has slipped due to lack of agreement on procurement and delivery team - e.g. how best to procure and deliver the project
Ensure the impact on the statutory provision of childcare places is considered in the development of the Council's asset strategy	Ann Sutcliffe (D&R)	30/09/2014	Overdue	50%	The statutory provision of childcare places will be considered as part of the refreshed Asset Strategy. However, the development of this document is delayed due to slippage on the Corporate Landlord Model. It is anticipated this milestone will be complete by 31/06/2015
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Tackle misuse of public assets and generate income from pro-active anti-fraud work	Cllr Alibor Choudhury Minesh Jani (RES)	01/03/2015	On target	60%	We have received income from Poplar Harca and have made a submission to DCLG for funding on fraud work.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Recover 40 social housing properties used fraudulently	Minesh Jani (RES)	31/03/2015	On target	70%	
Achieve 160 sanctions and prosecute 40 cases of housing benefit fraud	Minesh Jani (RES)	31/03/2015	On target	50%	
Develop pro-active fraud awareness campaign - focusing on reporting and data matching between services in the Council	Minesh Jani (RES)	01/03/2015	On target	30%	Data matching activities have been put in place, although further work is necessary to develop and roll out a pro-active fraud awareness campaign. This will be given greater focus over autumn.
Roll out e-learning modules to all staff, including on the Bribery Act 2010	Minesh Jani (RES)	01/03/2015	On target	90%	E-learning module developed and tested. Roll out will be carried out by end of the year.


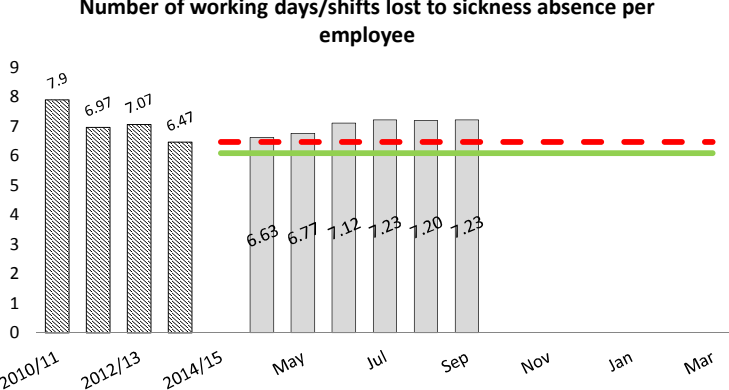
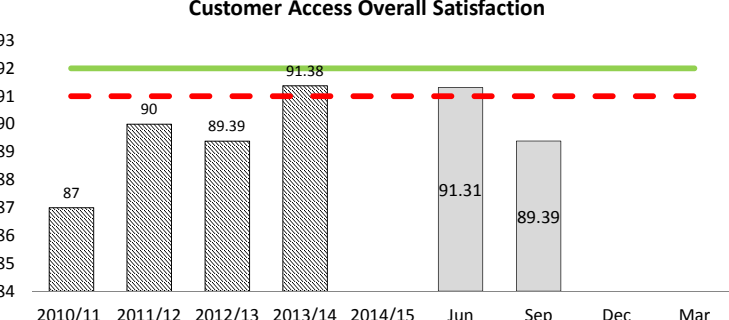
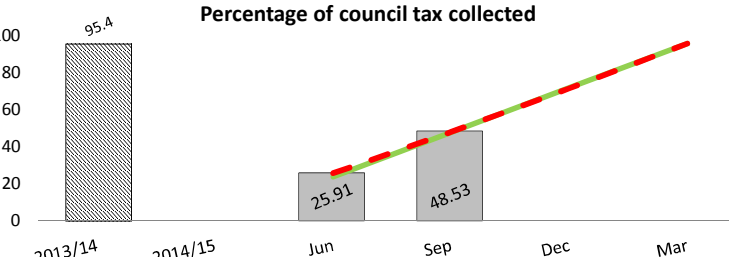



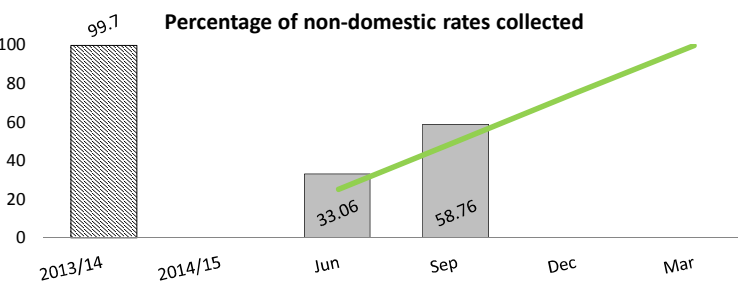
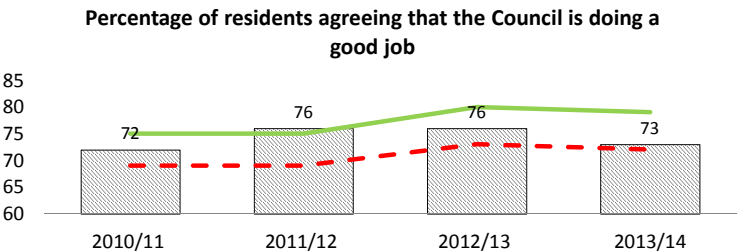
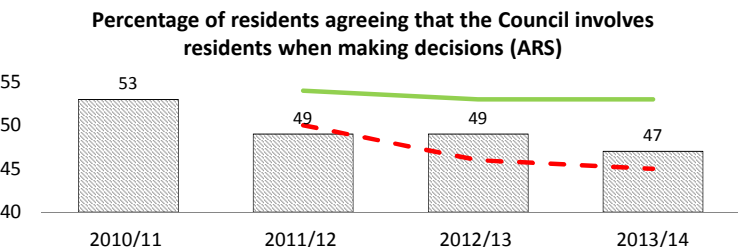
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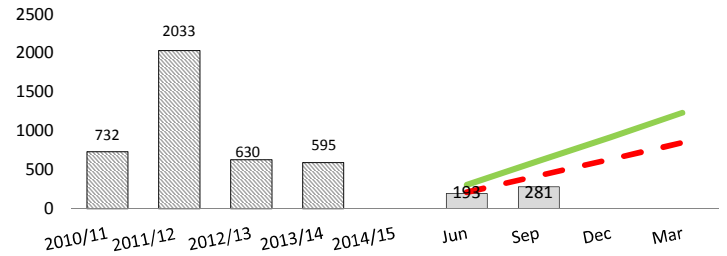
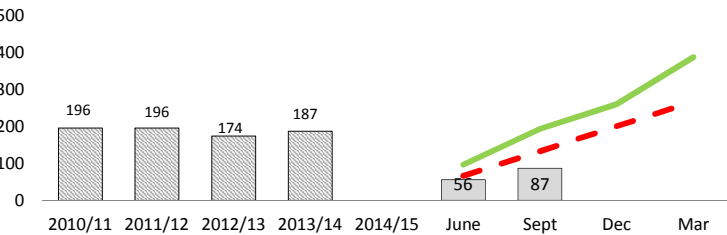
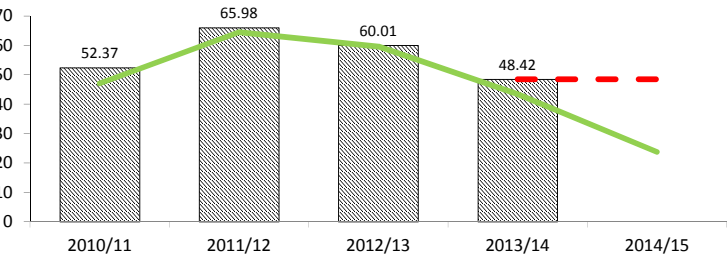
Deliver the internal audit plan to ensure key strategic risks are adequately evaluated	Minesh Jani (RES)	01/03/2015	On target	40%	The internal audit plan will be refreshed in Noemberv 2014 and arrangements are in place to sustainably deliver the plan.
Activity	Lead Member, Lead Officer and Directorate	Deadline	Status	% Comp	Comments
Prioritise frontline services whilst delivering the Council's budget strategy during a period of declining resources	Cllr Alibor Choudhury Chris Holme, Richard Lungley and John Jones (RES)	30/11/2014	On target	90%	The MTFP is being developed in line with agreed principles, which prioritise front line services whilst delivering a leaner and more efficient back office.
Milestone	Lead Officer	Deadline	Status	% Comp	Comments
Develop a package of deliverable efficiency opportunities to ensure a balanced budget for 2015/16	Chris Holme (RES)	30/09/2014	Complete	100%	The Budget Star chamber process has identified a package of proposals that will be reported to Cabinet in December. There is a high confidence level that a balanced budget can be delivered for 2015/16 based on current programme monitoring.
Review economic growth opportunities and their implication for the Council's medium term financial strategy to 2018	Richard Lungley and John Jones (RES)	30/09/2014	Complete	100%	Economic growth prospects have been remodelled, and the result of the review will be analysed in the MTFP report to Cabinet in December. Generally, there will be a positive impact on the resource base of the Council.
Maintain strong and effective financial management and control, supported by ongoing budget manager training	Richard Lungley and John Jones (RES)	30/11/2014	Complete	100%	Training has been commissioned and delivered during the year, and the Council is not currently reporting any major variations to its overall financial position.


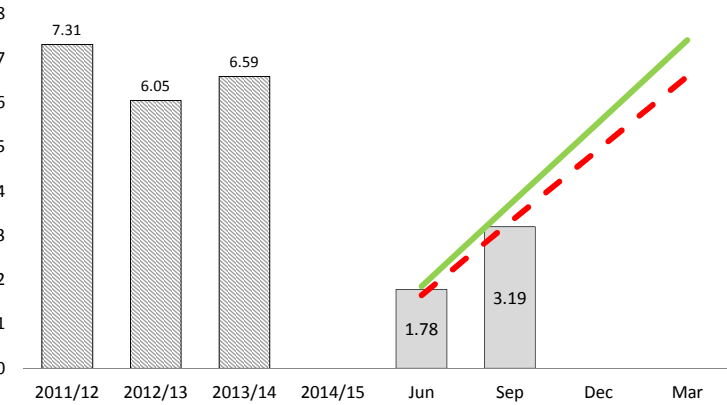
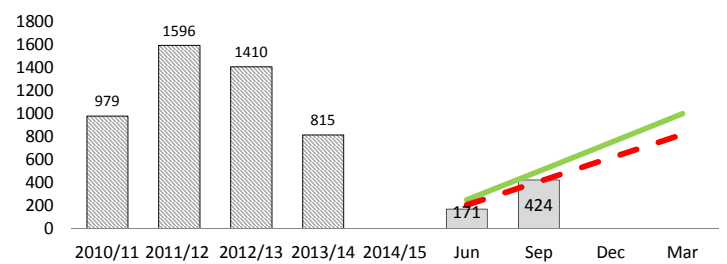
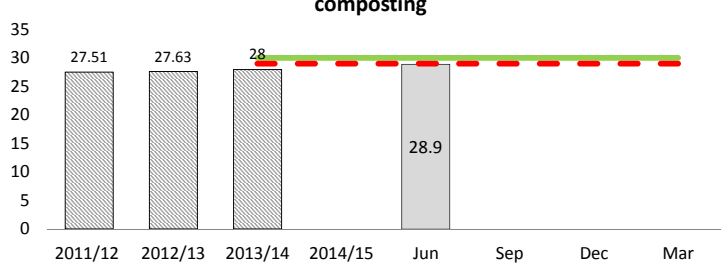
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Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<b>One Tower Hamlets</b>							
Percentage of LP07 or above Local Authority staff that are <b>women (%)</b>  Measured in: % Good Performance: Higher		48.28	50.0	50.0	49.33	AMBER	↔
Percentage of staff that are LP07 or above that are women  The percentage has risen during this quarter and is above the lower bandwidth at 49.33. This represents 123.96 FTEs that are female out of a total of 251.26 FTE staff at LPO7+. The impact of the decisions made through the Employment Options requests will increase this figure to above the stretched target once implemented.							
Percentage of LP07 or above Local Authority staff that are from an <b>ethnic minority (%)</b>  Measured in: % Good Performance: Higher		23.05	30.0	30.0	25.14	AMBER	↑
Percentage of earners that are LP07 or above of LA staff that are from an ethnic minority  The percentage of LPO7+ BME staff has increased during the quarter to 25.14. This reflects 63.16 FTEs that are BME out of 251.26 FTEs at LPO7+. This is a significant increase from September last year where performance was at 21.81%. The 'Take A Chance' scheme has been implemented and will be further developed in quarter 3. A system of job alerts will also be introduced and a mentoring scheme will be rolled out across the council to further develop and provide positive opportunities for under represented groups across the organisation.							
Percentage of LP07 or above Local Authority staff who have a <b>disability</b> (excluding those in maintained schools) (%)  Measured in: % Good Performance: Higher		6.34	6.90	6.90	5.55	RED	↓
Percentage of earners that are LP07 or above of LA staff that have a disability  The percentage for the quarter is 5.55. This reflects 12.2 FTE that are disabled out of a total of 251.26 FTE at LPO7+. Although this figure remains below target, there has been a steady increase since April 12/13, where performance was at 2.17%. The number of people in this category (LPO7+) is relatively small, thus low numbers of people either leaving or joining can have a significant impact on the percentage. The number of staff with either no data or declining to state whether they fall into this category remains high. An exercise will be undertaken during quarter 3 to increase the accuracy of this data, which should have a positive impact on the figures.							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p><b>Number of working days/shifts lost to sickness absence per employee</b></p> <p>Measured in: Number (the aggregate of working days lost due to sickness absence divided by the average number of FTE staff) Good Performance: Lower</p>	<p><b>Number of working days/shifts lost to sickness absence per employee</b></p> 	6.47	6.10	6.10	7.23	RED	↓
<p>The rise in sickness absence is due to a slight rise in both long term and short term absence. Better reporting systems (i.e. the introduction of HR Self-Service) have also meant that sickness absence is being reported more timely and accurately. Managers continue to manage staff who have high levels of sickness absence as can be seen from the steady rise in the number of formal absence cases recorded over the last 2 years. For the last 3 quarters the number has remained steady at around 680 cases.</p> <p>There are a number of actions currently being taken to address the rise in sickness absence. People Board (Operations) regularly receives reports on sickness and is looking into service areas where absence is high with the aim of reducing the levels in those areas. DMTs and Directorate People Panels across the Council are also being provided with additional information, looking into specific cases or areas with high absence so that these can be addressed, including the compliance of the returns submitted by managers on a monthly basis.</p>							
<p><b>Customer Access Overall Satisfaction (telephone contact)</b></p> <p>Measured in: % Good Performance: Higher</p>	<p><b>Customer Access Overall Satisfaction</b></p> 	91.38	92	92	89.39	RED	↔
<p>Two key drivers are identified for the dip in satisfaction in this quarter;</p> <p>(a) longer queue times during July and August due to peak holiday/leave months leaving the Contact Centre vulnerable to unplanned absences and peaks in demand</p> <p>(b) dip in number of surveys taken, from 4773 (of which 4385 rated the service "good") in April-June to 3383 (of which 3024 rated the service "good") in the current quarter</p> <p>The year on year picture continues to show improvement in satisfaction with Q1 in 14/15 achieving 91.31% compared to 89.55% in 13/14, and Q2 achieving 89.39% compared to 89.34% in 13/14.</p>							
<p><b>Percentage of Council Tax Collected</b></p> <p>Measured in: % Good Performance: Higher</p>	<p><b>Percentage of council tax collected</b></p> 	95.4	95.6	47.9	48.53	GREEN	↔
<p>Council tax collection rate is on target.</p>							


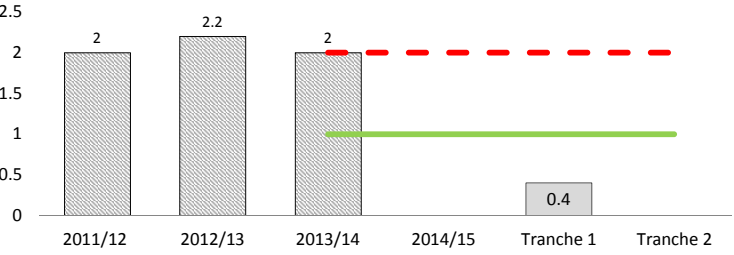

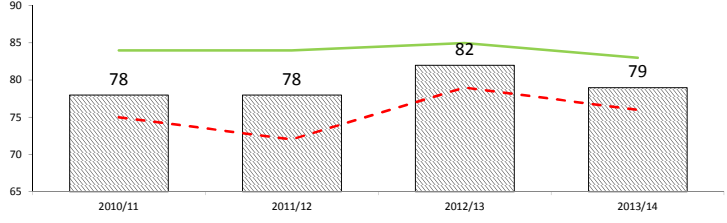
Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p><b>Percentage of Non-Domestic Rates Collected</b></p> <p>Measured in: % Good Performance: Higher</p>		99.7	99.5	50.00	58.76	GREEN	↔
<p>Business rate collection is performing well and is on target.</p>							
<p><b>Percentage of residents agreeing that the Council is doing a good job (Annual Residents Survey (ARS) Measure)</b></p> <p>Measured in: % Good Performance: Higher</p>		73	77	N/A	N/A	AMBER	↔
<p>This outturn relates to 2013/14 - the survey fieldwork took place in June / July 2014. The result is above the lower bandwidth and similar to last year (the change is not statistically significant).</p>							
<p><b>Percentage of residents agreeing that the Council involves residents when making decisions (ARS Measure)</b></p> <p>Measured in: % Good Performance: Higher</p>		47	52	N/A	N/A	AMBER	↔
<p>This outturn relates to 2013/14 - the survey fieldwork took place in June / July 2014. The result is above the lower bandwidth and similar to last year (the change is not statistically significant).</p>							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<b>Great Place to Live</b>							
<p><b>Number of affordable homes delivered (gross)</b></p> <p>Measured in: Number (the sum of social rent housing and intermediate housing - low cost home ownership and intermediate rent) Good Performance: Higher</p>	<p><b>Number of affordable homes delivered (gross)</b></p> 	595	1231	615	281	RED	↑
<p>281 affordable units have been delivered ending Q2, 46% higher than this time last year. Whilst the Q2 outturn of 88 affordable units is below the quarterly target of between 212 and 308 units, it is anticipated that the end of year outturn will be within the target range. Our current prediction is for the completion of 1203 affordable units in this financial year, exceeding the lower bandwidth target by 42%. However, as is always stated, the distribution of completions will never fall into an equal four quarter split and there is nothing that the Council can do to influence this. In 14-15 there will be a more than usually skewed delivery pattern. Completions are expected as follows: Q1: 16%, Q2 &amp; 3 combined: 15% and Q4: 69%. This is due to the large number of schemes in receipt of grant from the GLA's 2011-15 programme which have to complete by March 2015, and have had to accelerate their programmes to achieve this completion date. Many of these schemes are due to complete in the last days of March.</p>							
<p><b>Number of affordable social rented housing completions for family housing (gross)</b></p> <p>Measured in: Number (a count of the number of affordable housing - local authority, housing associations, and co-operative tenants. Family housing is 3 bedrooms or more) Good Performance: Higher</p>	<p><b>No of affordable social rented housing completions for family housing (gross)</b></p> 	187	387	193	87	RED	↑
<p>The numbers of family units for rent is below the target figure for the quarter, but this is a consequence of the overall delivery of affordable units being low this quarter. We expect that the whole year figures will come within our targets for both the affordable and family rent indicators, if completions currently forecast for quarter 4 are able to meet their GLA 2011-15 grant funded programme deadlines.</p>							
<p><b>Percentage of overall council stock that is non-decent</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>Percentage of overall council housing stock that is non decent</b></p> 	48.42	21.8	n/a	n/a	AMBER	↑
<p>Non-decency of council stock (13/14) currently stands at 48.42% against a stretched target of 43.32%. The level of non-decent stock has reduced by 19% and 1,785 homes were brought up to decent homes standard during 2013/14 against a GLA target of 1,774. However, additional homes were identified as not meeting the decent homes standard during external surveys undertaken in 2013/14, thus missing the stretched target by 5.1pp. Decent Homes works will be completed in respect of these in 2014/15 and have been taken into account when determining the target for 2014/15.</p>							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)																				
<p>The number of households who considered themselves as <b>homeless</b>, who approached the local authority's housing advice service(s), and for whom housing advice casework <b>intervention</b> resolved their situation.</p> <p>Measured in: The number of cases assisted through successful casework intervention divided by the number of thousand households in the local authority area. Good Performance: Higher</p>	<p><b>Homelessness Prevention</b></p>  <table border="1"> <caption>Homelessness Prevention Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2011/12</td><td>7.31</td></tr> <tr><td>2012/13</td><td>6.05</td></tr> <tr><td>2013/14</td><td>6.59</td></tr> <tr><td>2014/15</td><td>-</td></tr> <tr><td>Jun</td><td>1.78</td></tr> <tr><td>Sep</td><td>3.19</td></tr> <tr><td>Dec</td><td>-</td></tr> <tr><td>Mar</td><td>-</td></tr> </tbody> </table>	Year	Value	2011/12	7.31	2012/13	6.05	2013/14	6.59	2014/15	-	Jun	1.78	Sep	3.19	Dec	-	Mar	-	6.59	7.40	3.70	3.19	RED	↑		
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<p>The number of overcrowded families rehoused, <b>lets to overcrowded households</b></p> <p>Measured in: Number (count of lets to overcrowded housing applicants and tenants of CHR partner landlords lacking one or more bedrooms) Good Performance: Higher</p>	<p><b>Lets to overcrowded families</b></p>  <table border="1"> <caption>Lets to overcrowded families Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>979</td></tr> <tr><td>2011/12</td><td>1596</td></tr> <tr><td>2012/13</td><td>1410</td></tr> <tr><td>2013/14</td><td>815</td></tr> <tr><td>2014/15</td><td>-</td></tr> <tr><td>Jun</td><td>171</td></tr> <tr><td>Sep</td><td>424</td></tr> <tr><td>Dec</td><td>-</td></tr> <tr><td>Mar</td><td>-</td></tr> </tbody> </table>	Year	Value	2010/11	979	2011/12	1596	2012/13	1410	2013/14	815	2014/15	-	Jun	171	Sep	424	Dec	-	Mar	-	815	1000	500	424	AMBER	↔
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<p>Percentage of household waste sent for reuse, <b>recycling and composting</b></p> <p>Measured in % Good performance: Higher</p>	<p><b>Percentage of household waste sent for reuse, recycling &amp; composting</b></p>  <table border="1"> <caption>Percentage of household waste sent for reuse, recycling &amp; composting Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2011/12</td><td>27.51</td></tr> <tr><td>2012/13</td><td>27.63</td></tr> <tr><td>2013/14</td><td>28</td></tr> <tr><td>2014/15</td><td>-</td></tr> <tr><td>Jun</td><td>28.9</td></tr> <tr><td>Sep</td><td>-</td></tr> <tr><td>Dec</td><td>-</td></tr> <tr><td>Mar</td><td>-</td></tr> </tbody> </table>	Year	Value	2011/12	27.51	2012/13	27.63	2013/14	28	2014/15	-	Jun	28.9	Sep	-	Dec	-	Mar	-	28.00	30.00	30.00	28.90	RED	↔		
Year	Value																										
2011/12	27.51																										
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<p>The number of homeless preventions since April 2014 is 357 equating to 3.19% per 1,000 population. The outturn of 3.19 is 0.09 percentage points away from the standard target for the quarter. The borough continues to face a severe shortage of affordable private sector properties available to homeless households as an alternative to pursuing a statutory homeless application and the problem continues to increase. Consequently, our ability to prevent homelessness by securing an alternative tenancy has diminished immensely. We have improved the incentive provided to landlords so that they will let their admittedly small number of properties available at, or close to, Local Housing Allowance levels via the council to one of our customers rather than let them to a member of the general public. We have also seen a rise in the number of preventions through negotiations with friends and relatives this quarter, persuading families that the best option for all is for the threatened homeless client should remain in their current accommodation. Nevertheless, proportionately, this is not sufficient to prevent the increase in landlords evicting their benefit-dependent tenants in favour of tenants who can afford higher rents. Where possible, though, we continue to negotiate with Housing Benefit to resolve arrears problems and to negotiate with landlords to ensure tenants can remain in their properties and thus prevent homelessness.</p>		<p>424 lets have been made ending Q2, 20 lets lower than this time last year. However the quarter 2 lower bandwidth target of 205 lets has been exceeded by 106%. As we operate a choice based lettings scheme we have very little influence over the outcome of lets as offers are made in priority order. Housing options are being promoted to TH residents, through daily housing advice to applicants, mutual exchange events, and Lettings Open Day events, especially to those that are overcrowded to ensure lets to them are maximised.</p>		<p>Household recycling has increased by almost 1 percentage point since the last quarter and is only very marginally off target. We are striving towards the 30% stretch target by targeting problem areas which is providing encouraging results.</p>																							

Description	Legend		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)										
	— Stretch Target	-- Standard Target																
<p><b>Level of street and environmental cleanliness - litter (%)</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>Improved street &amp; environmental cleanliness - Litter</b></p> <table border="1"> <caption>Litter Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2011/12</td> <td>2.3</td> </tr> <tr> <td>2012/13</td> <td>1.9</td> </tr> <tr> <td>2013/14</td> <td>1.9</td> </tr> <tr> <td>2014/15</td> <td>3.8</td> </tr> </tbody> </table>		Year	Value	2011/12	2.3	2012/13	1.9	2013/14	1.9	2014/15	3.8	1.9	1.0	1.0	3.8	RED	↓
Year	Value																	
2011/12	2.3																	
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<p>As of 2014/15 only 2 surveys will be undertaken during the year as opposed to 3 in previous years.</p> <p>Litter is off target based on Tranche 1 carried out in 2014/15. Since 2012/13, the target for litter has been reduced from 5% to 1.9% for minimum / standard target and from 2% to 1% for stretched target. Funding from the Mayor's accelerated delivery programme of £800k, which we received in 2013/14 has ceased, resulting in key resources such as additional litter sweepers being reduced. The areas that require attention are: Whitechapel and Bromley by Bow especially around industrial areas as well as other highway land use areas. All the data on the failed zones has been shared with Veolia, Streetcare Managers and the Contract Development team. We are working together to formulate an action plan that will improve the results and reduce the level of litter in the borough. There will be increased monitoring by the Streetcar Officers to support Veolia in identifying zones that are failing to meet the required targets. Performance for litter is expected to improve by the next tranche survey, which will be completed in March 2015.</p>																		
<p><b>Level of street and environmental cleanliness - detritus (%)</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>Improved street &amp; environmental cleanliness - detritus</b></p> <table border="1"> <caption>Detritus Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2011/12</td> <td>4.1</td> </tr> <tr> <td>2012/13</td> <td>3.6</td> </tr> <tr> <td>2013/14</td> <td>2.4</td> </tr> <tr> <td>2014/15</td> <td>2.7</td> </tr> </tbody> </table>		Year	Value	2011/12	4.1	2012/13	3.6	2013/14	2.4	2014/15	2.7	2.4	2.0	2.0	2.7	RED	↓
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<p>As of 2014/15 only 2 Surveys will be undertaken during the year as opposed to 3 in previous years.</p> <p>Detritus is off target based on Tranche 1 in 2014/15. Since 2012/13, the target has been reduced from 7% to 2.4% for minimum standard target and 4% to 2% for stretched target. As highlighted above the reduction of the Mayor's Accelerated Delivery fund of £800k has had a direct impact on the service delivery and the level of cleanliness. The areas for improvement are highlighted above and we are working with Veolia on improving all of these zones and the overall cleansing standards. Performance for detritus is expected to improve further by the next tranche survey, which will be completed in March 2015.</p>																		
<p><b>Improved street and environmental cleanliness - graffiti (%)</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>Improved street &amp; environmental cleanliness -Graffiti</b></p> <table border="1"> <caption>Graffiti Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2011/12</td> <td>6</td> </tr> <tr> <td>2012/13</td> <td>8.8</td> </tr> <tr> <td>2013/14</td> <td>6.2</td> </tr> <tr> <td>2014/15</td> <td>2.9</td> </tr> </tbody> </table>		Year	Value	2011/12	6	2012/13	8.8	2013/14	6.2	2014/15	2.9	6.2	4.0	4.0	2.9	GREEN	↑
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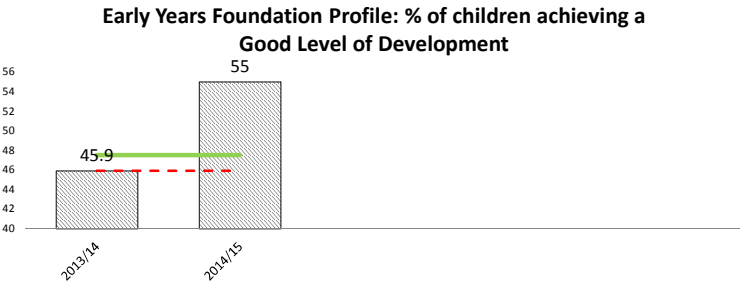
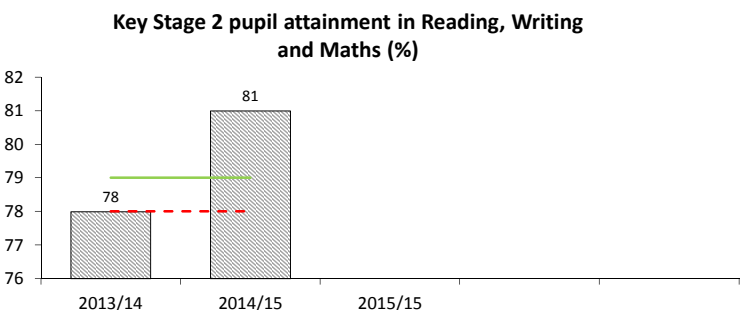
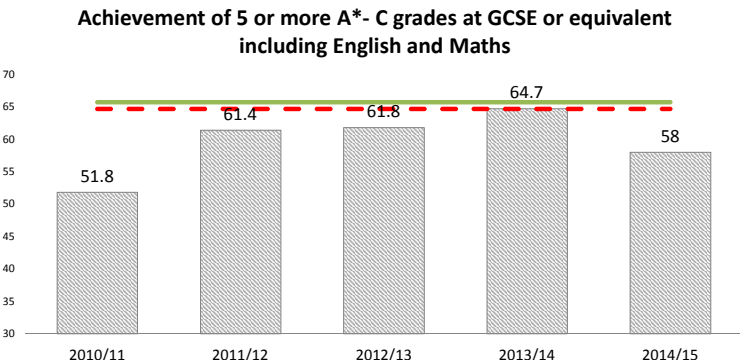



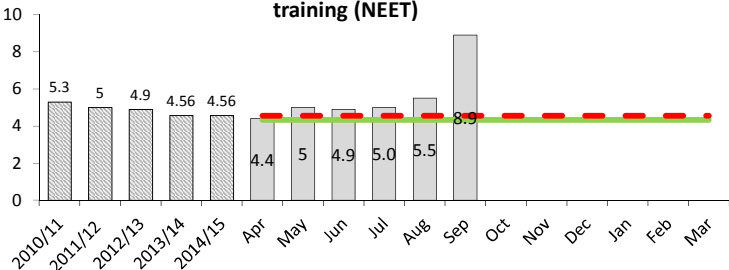
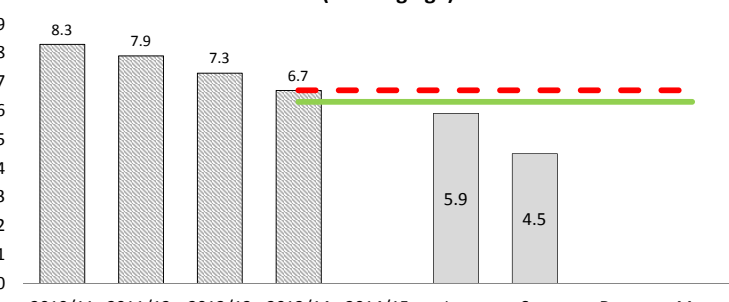
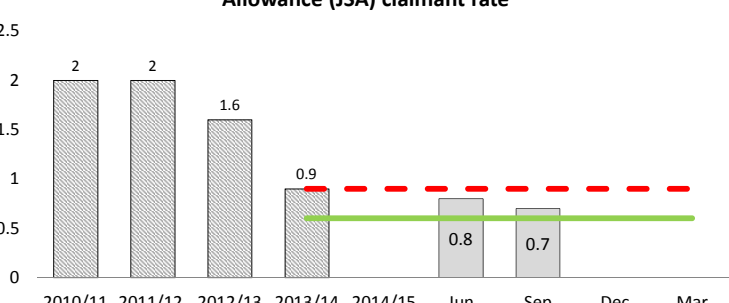
Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p>Improved street and environmental cleanliness - fly-posting (%)</p> <p>Measured in % Good performance: Lower</p>	<p><b>Improved street &amp; environmental cleanliness - Fly-posting</b></p> 	2	1.0	1.0	0.4	GREEN	↑
<p>Percentage of residents who rate parks and open spaces as good, very good or excellent (ARS)</p> <p>Measured in % Good performance: Higher</p>	<p><b>Percentage of residents who rate parks and open spaces as good, very good or excellent</b></p> 	61	65	n/a	n/a	AMBER	↔
<p>Overall / general satisfaction with the neighbourhood (ARS)</p> <p>Measured in % Good performance: Higher</p>	<p><b>Overall / general satisfaction with the local area</b></p> 	79	83	n/a	n/a	AMBER	↔

As of 2014/15 only 2 surveys will be undertaken during the year as opposed to 3 in previous years. Target has been exceeded.


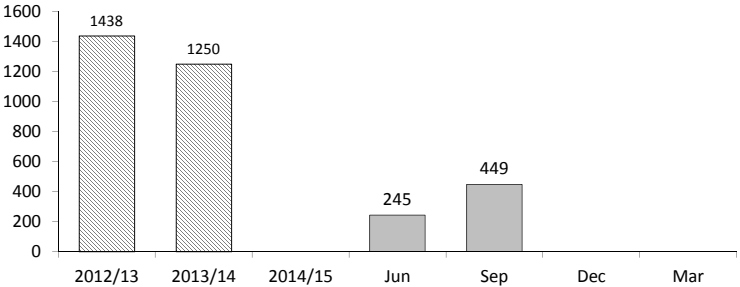
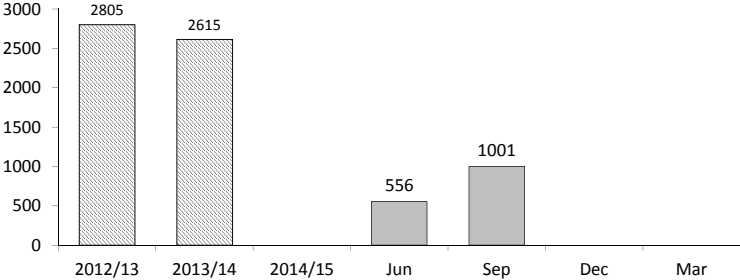
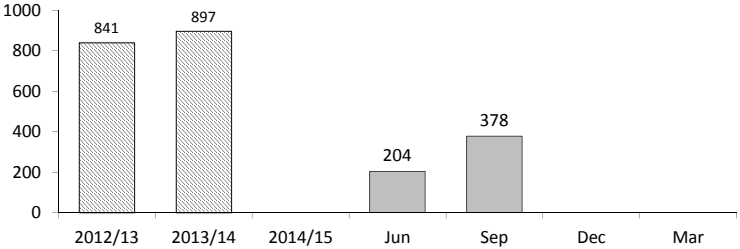
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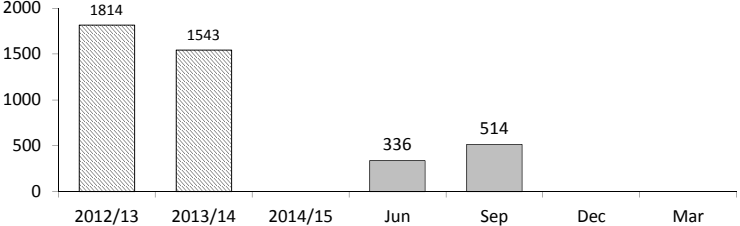
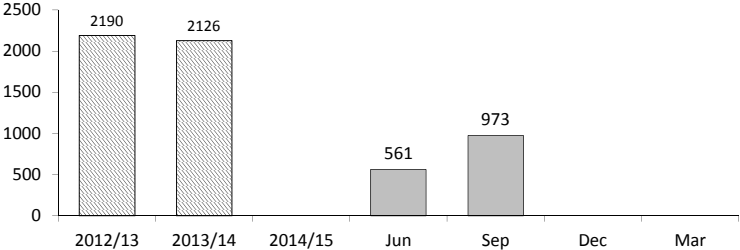
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Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<b>Prosperous Community</b>							
<b>Early Years Foundation Profile - achievement of a good level of development</b> Measured in % Good performance: Higher	<b>Early Years Foundation Profile: % of children achieving a Good Level of Development</b> 	55.0	47.5	n/a	55.0	GREEN	↑
This is the annual performance outturn - the stretched target has been exceeded.							
<b>Key Stage 2 pupil attainment in Reading, Writing and Maths (KS2 RWM) (%)</b> Measured in: % Good Performance: Higher	<b>Key Stage 2 pupil attainment in Reading, Writing and Maths (%)</b> 	81	79	n/a	81	GREEN	↔
This is the annual performance outturn - the stretched target has been exceeded.							
<b>Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths.</b> Measured in % Good performance: Higher	<b>Achievement of 5 or more A*- C grades at GCSE or equivalent including English and Maths</b> 	58	65.7	n/a	58.0	RED	↓
Changes to the methodology at KS4 have led to widespread drops in performance. There have been a number of significant changes to the exams this year: pupils were not allowed to sit some exams early; for English there has been less focus on coursework, and the speaking & listening component is no longer counted; "First entry counts" – resits, even at higher grades, are no longer counted. Nationally, performance against the same measure fell from 59.2% to 52.6%, a drop of 6.6% points, meaning that Tower Hamlets remains well above the national average, and that our drop in performance is in line with national change. In London, the year-on-year change in performance varies from -9.8% points to +1.4% points, with an average decrease of 4.5% points down to 60.6% - meaning Tower Hamlets is still slightly below the London average. As usual we would expect a small improvement in performance when the results of the results checking exercise has been completed and the final data published. PRG have requested individual action plans for schools to illustrate how improvement will be made from this new position.							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p><b>16 to 19 year olds who are not in education, employment or training (NEET) (%)</b></p> <p>Measured in: % Good Performance: Lower</p>	<p><b>16-18 Year olds who are not in education, employment or training (NEET)</b></p> 	4.56	4.33	4.33	8.9	RED	↑
<p><b>Overall employment rate - gap between the Borough and London average rate (working age) (%)</b></p> <p>Measured in: % Good Performance: Gap - Lower</p>	<p><b>Gap between the Borough and London average employment rate (working age)</b></p> 	6.7	6.3	6.3	4.5	GREEN	↑
<p><b>JSA Claimant Rate (gap between the Borough and London average rate (working age) (%)</b></p> <p>Measured in: % Good Performance: Gap - Lower</p>	<p><b>Gap between the Borough and London average Job Seekers Allowance (JSA) claimant rate</b></p> 	0.9	0.6	0.6	0.7	AMBER	↑

Description	Legend		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
	— Stretch Target	- - Standard Target						
<b>Labour Market: number of job starts for Tower Hamlets Residents</b>  Measured in: % Good Performance: Higher			n/a	5,900	2,950	558	<b>RED</b>	n/a
			558 recorded to-date. Further confirmations will be recorded retrospectively once cross council reporting is fully in place. To be noted that 20,000 is a four year target in alignment with the Mayoral term. Progression towards consistent cross council and partnership reporting has been achieved and will report soon - retrospectively from April 2014.					
<b>Proportion of children in poverty</b>  Measured in: % Good Performance: Lower			39.0	Not Set	n/a	n/a	n/a	↑
			The latest HMRC data show that 23,195 children in Tower Hamlets live in poverty – this represents 39 per cent of all children in the borough and is the highest child poverty rate nationally. The data is a snapshot in time and relates to August 2012. The trend data shows that the borough's child poverty rate has been showing significant improvement in recent years – falling from 64 to 39 per cent between 2006 and 2012. However, the local indicator is a proxy measure of relative poverty, and because of that, the trend needs to be interpreted with some care. In particular, coverage of in-work poverty is limited, because the in-work component of the measure is heavily influenced by the volatility of incomes nationally. So, for some families, moving out of poverty according to the HMRC measure, may not necessarily mean that their material circumstances have improved. Targets for this measure were not set this year due to the variability expected in the methodology this year and in future.					

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<b>Safe and Cohesive Community</b>							
<p><b>Number of Robbery incidents (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set. Including personal and business properties) Good Performance: Lower</p>	<p><b>Total number of Robbery Offences (MOPAC7 measure)</b></p> 	1250	Not Set	Not Set	449	N/A	↑
<p>Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.</p> <p>Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 449 robbery offences compared to 534 in the same period last year.</p>							
<p><b>Number of Burglary Incidents (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set. Theft or attempted theft from residential or non-residential property) Good Performance: Lower</p>	<p><b>Total number of Burglary Offences (MOPAC7 measure)</b></p> 	2615	Not Set	Not Set	1001	N/A	↑
<p>Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.</p> <p>Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 1,101 burglary offences compared to 1,168 in the same period last year.</p>							
<p><b>Theft of a Motor Vehicle (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set) Good Performance: Lower</p>	<p><b>Total number of Theft of a Motor Vehicle Offences (MOPAC7 measure)</b></p> 	897	Not Set	Not Set	378	N/A	↔
<p>Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.</p> <p>Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 378 theft of a motor vehicle offences compared to 369 in the same period last year.</p>							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p><b>Theft from a Motor Vehicle (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set) Good Performance: Lower</p>	<p><b>Total number of Theft from a Motor Vehicle Offences (MOPAC7 measure)</b></p> 	1956	Not Set	Not Set	698	N/A	↑
<p><b>Theft from the Person (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set) Good Performance: Lower</p>	<p><b>Total number of Theft from the Person Offences (MOPAC7 measure)</b></p> 	1543	Not Set	Not Set	514	N/A	↑
<p><b>Vandalism (criminal damage) (MOPAC 7 measure)</b></p> <p>Measured in: Number (part of the MOPAC set) Good Performance: Lower</p>	<p><b>Total number of Criminal Damage Offences (MOPAC7 measure)</b></p> 	2126	Not Set	Not Set	973	N/A	↔

Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.


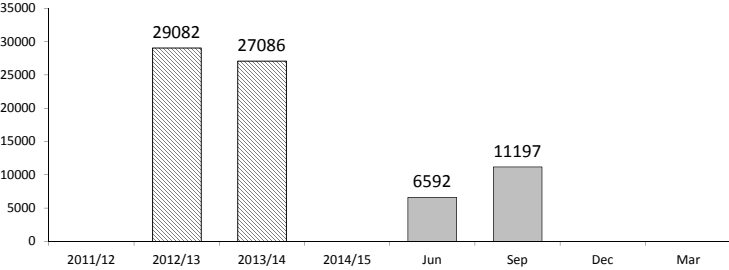
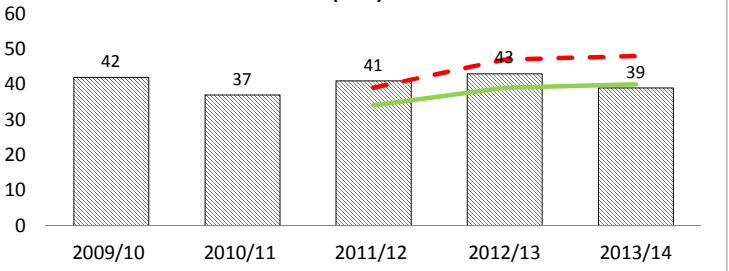

Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 698 thefts from a motor vehicle offences compared to 828 in the same period last year.

Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.

Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 514 theft from the person offences compared to 750 in the same period last year.

Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.

Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 973 vandalism / criminal damage offences compared to 944 in the same period last year.


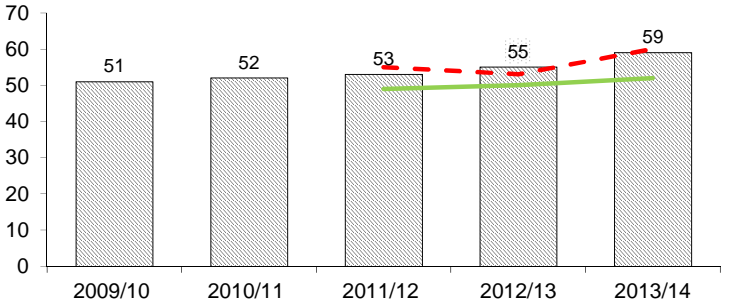
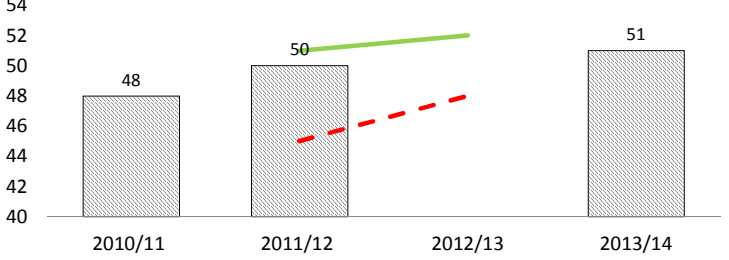
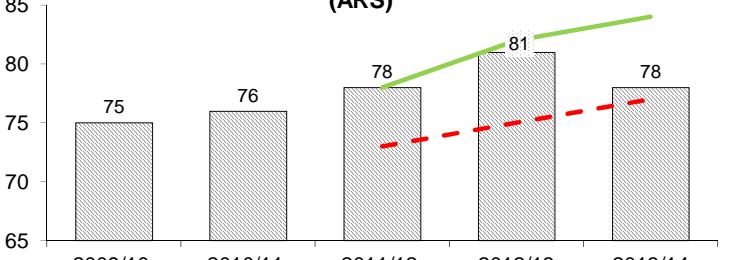
Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<p><b>Total Notifiable Offences (number)</b></p> <p>Measured in: Number Good Performance: Lower</p>	<p><b>Total Notifiable Offences</b></p> 	27086	Not Set	Not Set	11197	N/A	↑
<p><b>Local concern about ASB and Crime (ARS): vandalism graffiti and criminal damage.</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>ASB Concern about vandalism, graffiti and criminal damage (ARS)</b></p> 	39	35	n/a	n/a	GREEN	↔
<p><b>Local concern about ASB and Crime (ARS): Drunk or rowdy behaviour in public spaces.</b></p> <p>Measured in % Good performance: Lower</p>	<p><b>ASB Concern over drunk and rowdy behaviour (ARS)</b></p> 	50	46	n/a	n/a	AMBER	↓

Targets are being set by the Community Safety Partnership. Performance against targets and comments will be provided by the MPS in quarter 3.


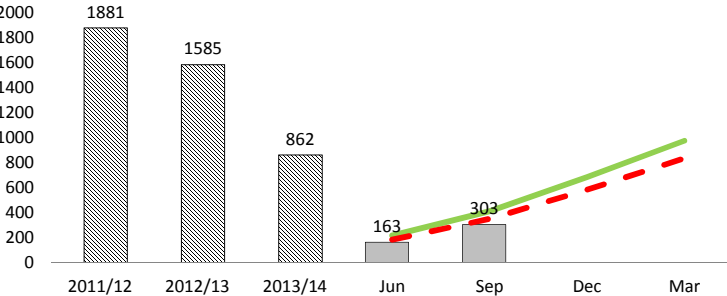
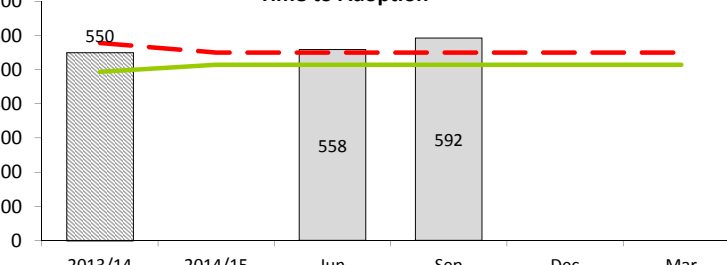
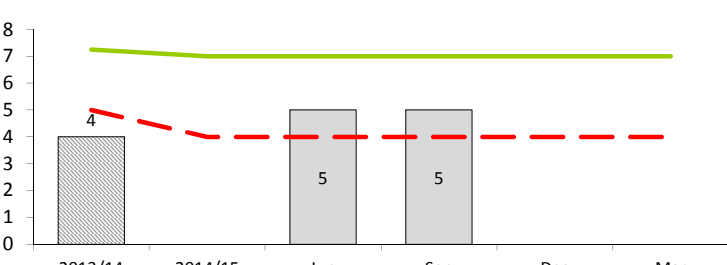
Data taken from the met.police.uk website indicates that for the period between April-July 2014 there were 11,197 total notifiable offences compared to 12,066 in the same period last year.

This outturn relates to 2013/14 - the survey fieldwork took place in June / July 2014. Whilst performance has exceeded the stretched target, the change compared to last year is not statistically significant.

This outturn relates to 2013/14 - the survey fieldwork took place in June / July 2014. The survey's findings may partly be explained as an effect of the fieldwork being undertaken in the summer months, particularly with the World Cup and other sporting events taking place. In response to this rising trend, there has been recent investment in new THEOs, as well as extra support for the CCTV room to assist triaging ASB reports within the Council. The second Council funded Police Team – Partnership Taskforce 2 – has now been launched and will provide a more nuanced response to particular types of ASB e.g. related to prostitution or gangs. There is also greater capacity for the new team to work more closely with the THEOs. The Police have also recently made use of the power under s30 Anti-Social Behaviour Act 2003 to create a dispersal zone, with a number of such zones now operating in this borough.

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)												
<p><b>Local concern about ASB and Crime (ARS): Drug use or drug dealing as a problem.</b> (%)</p> <p>Measured in % Good performance: Lower</p>	<p><b>ASB Concern over drug use or drug dealing (ARS)</b></p>  <table border="1"> <caption>ASB Concern over drug use or drug dealing (ARS)</caption> <thead> <tr> <th>Year</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>2009/10</td><td>51</td></tr> <tr><td>2010/11</td><td>52</td></tr> <tr><td>2011/12</td><td>53</td></tr> <tr><td>2012/13</td><td>55</td></tr> <tr><td>2013/14</td><td>59</td></tr> </tbody> </table>	Year	Value (%)	2009/10	51	2010/11	52	2011/12	53	2012/13	55	2013/14	59	59	55	n/a	n/a	AMBER	↓
Year	Value (%)																		
2009/10	51																		
2010/11	52																		
2011/12	53																		
2012/13	55																		
2013/14	59																		
<p><b>Satisfaction with the Police and Community Safety Partnership (ARS)</b> (%)</p> <p>Measured in % Good performance: Higher</p>	<p><b>ASB Satisfaction: Satisfaction with the Police / Community Safety Partnership (ARS)</b></p>  <table border="1"> <caption>ASB Satisfaction: Satisfaction with the Police / Community Safety Partnership (ARS)</caption> <thead> <tr> <th>Year</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>48</td></tr> <tr><td>2011/12</td><td>50</td></tr> <tr><td>2012/13</td><td>51</td></tr> <tr><td>2013/14</td><td>51</td></tr> </tbody> </table>	Year	Value (%)	2010/11	48	2011/12	50	2012/13	51	2013/14	51	51	55	n/a	n/a	N/A	↔		
Year	Value (%)																		
2010/11	48																		
2011/12	50																		
2012/13	51																		
2013/14	51																		
<p><b>Percentage of people who believe people from different backgrounds get along well together (ARS)</b> (%)</p> <p>Measured in % Good performance: Higher</p>	<p><b>% of people who believe people from different backgrounds get on well together in their local area (ARS)</b></p>  <table border="1"> <caption>% of people who believe people from different backgrounds get on well together in their local area (ARS)</caption> <thead> <tr> <th>Year</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>2009/10</td><td>75</td></tr> <tr><td>2010/11</td><td>76</td></tr> <tr><td>2011/12</td><td>78</td></tr> <tr><td>2012/13</td><td>81</td></tr> <tr><td>2013/14</td><td>78</td></tr> </tbody> </table>	Year	Value (%)	2009/10	75	2010/11	76	2011/12	78	2012/13	81	2013/14	78	78	81	n/a	n/a	AMBER	↔
Year	Value (%)																		
2009/10	75																		
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Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)
<b>Healthy and Supportive Community</b>							
<p><b>Smoking Quitters</b></p> <p>Measured in: rate per 100,000 of population (aged 16+) of four-week smoking quitters who have attended NHS Stop Smoking Services . Good Performance: Higher</p>	<p><b>Stopping Smoking (Rate per 100,000)</b></p> 	1815	975	409	303	RED	↓
<p>Since the beginning of the financial year, 661 residents have attended NHS Stop Smoking Services and achieved the four-week quit target. 86% of target quits had been achieved at the end of Q2 due, in the main, to a low quit rate within primary care predominately caused by insufficient prescribing of smoking cessation treatments. A recovery plan has been implemented within primary care since October. This recovery plan has included briefings for all clinical staff on best practice prescribing; additional staff training for those delivering and promoting the service; and further promotion of the stop smoking services.</p> <p>Performance is also expected to increase in Qs 3 &amp; 4 due to national and local campaigns.</p>							
<p><b>Average time between a child entering care and moving in with adoptive family (Time to adoption)</b></p> <p>Measured in: Days Good Performance: Lower</p>	<p><b>Time to Adoption</b></p> 	550	514	514	592	RED	↔
<p>Performance figure relates to April 2012 - September 2014 i.e. the latest three year rolling period that will be used in the next DFE Scorecard. The actual April 2014 - September 2014 performance figure is 655. PRG received a report in October that outlined the key issues regarding adoption performance, and proposed a number of improvement actions. PRG have asked to track some individual adoption cases in order to better understand the process and performance issues associated with it, so that the Council can ensure that it is providing whatever support it can to ensuring timely and effective adoptions.</p>							
<p><b>Percentage of ethnic minority background children leaving care who are adopted (BME adoptions)</b></p> <p>Measured in: % Good Performance: Higher</p>	<p><b>BME Adoptions (%)</b></p> 	4	7	7	5	AMBER	↔
<p>Performance figure relates to April 2012 - September 2014 i.e. the latest three year rolling period that will be used in the next DFE Scorecard. The actual April 2014 - September 2014 performance figure is 8%. PRG received a report in October that outlined the key issues regarding adoption performance, and proposed a number of improvement actions. PRG have asked to track some individual adoption cases in order to better understand the process and performance issues associated with it, so that the Council can ensure that it is providing whatever support it can to ensuring timely and effective adoptions.</p>							

Description		Annual Actual (2013/14)	Annual Stretched Target (2014/5)	Q2 Stretched Target (Jul-Sep 2014)	Q2 actual (Jul-Sep 2014)	Variance (performance against Q2 stretch target)	Direction of Travel (comparing 13/4 and 14/5 actual)																				
<p>Proportion of people using social care who receive <b>self-directed support</b>, and those receiving <b>direct payments</b></p> <p>Measured in: % Good Performance: Higher</p>	<p><b>Social Care clients in receipt of self-directed support and direct payments</b></p> <table border="1"> <caption>Social Care clients in receipt of self-directed support and direct payments</caption> <thead> <tr> <th>Year/Quarter</th> <th>Proportion (%)</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>10.7</td> </tr> <tr> <td>2010/11</td> <td>39</td> </tr> <tr> <td>2011/12</td> <td>39</td> </tr> <tr> <td>2012/13</td> <td>52.6</td> </tr> <tr> <td>2013/14</td> <td>61.7</td> </tr> <tr> <td>Jun</td> <td>62.7</td> </tr> <tr> <td>Sep</td> <td>62.4</td> </tr> <tr> <td>Dec</td> <td>-</td> </tr> <tr> <td>March</td> <td>-</td> </tr> </tbody> </table>	Year/Quarter	Proportion (%)	2009/10	10.7	2010/11	39	2011/12	39	2012/13	52.6	2013/14	61.7	Jun	62.7	Sep	62.4	Dec	-	March	-	61.7	70	70	62.4	AMBER	↑
Year/Quarter	Proportion (%)																										
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Jun	62.7																										
Sep	62.4																										
Dec	-																										
March	-																										
		<p>This measure has a new definition for 2014/15, which separates performance for service users and for carers. Based on the new definition (service users only) the Q1 position is 62.4%.</p>																									

# Agenda Item 7.5

<b>Committee:</b> Overview & Scrutiny	<b>Date:</b> 6 <sup>th</sup> January 2015	<b>Classification:</b> Unrestricted	<b>Agenda Item:</b> 7.5
<b>Report of:</b>  Service Head Corporate Strategy & Equality, Louise Russell  <b>Originating officer(s)</b> Vicky Allen, Strategy, Policy & Performance Officer, Corporate Strategy & Equality		<b>Title:</b>  Planning in conservation areas: The implications of conservation areas on the extension of family homes – scrutiny challenge session  <b>Wards Affected:</b> ALL	

## 1. **SUMMARY**

- 1.1 This report submits the report and recommendations of the Planning in conservation areas scrutiny challenge session for consideration by the Overview and Scrutiny Committee.

## 2. **RECOMMENDATIONS**

The Overview and Scrutiny Committee is recommended to:-

- 2.1 Agree the draft report and the recommendations contained in it.
- 2.2 Authorise the Service Head for Strategy & Equality to amend the draft report before submission to Cabinet, after consultation with the scrutiny review group.

## 3. **BACKGROUND**

- 3.1 The challenge session took place on 17<sup>th</sup> November 2014. Overview and Scrutiny identified a concern amongst some residents that the planning constraints in conservation areas are adversely affecting the ability of homeowners to remain in the borough as their families grow. This is due to planning controls over extending properties within conservation area. The issue predominately affects Victorian and Edwardian terraced properties, with the majority of these properties being in a conservation area. Tower Hamlets has 58 designated conservation areas, covering around 26 percent of the borough's land mass.
- 3.2 The focus of the challenge session was therefore to see if a middle-ground could be found between preserving the special character of conservation areas and finding solutions for modern family living. The Challenge Session looked to explore what changes to planning policy, practice or procedures could be made to address these concerns, whilst still protecting the character of Conservation

Areas. The session was chaired by Cllr Joshua Peck, Chair of Overview and Scrutiny.

3.3 The objectives of the challenge session were to answer the following questions:

- What changes to planning policy or practice are possible, which still protect the character of conservation areas;
- What improvements could be made in the planning application process in relation to extensions in conservation areas.

3.4 The report with recommendations is attached at Appendix One. xx recommendations have been made:

**RECOMMENDATION 1:**

The Council should recognise the detrimental impact that some planning restrictions are having on residents and the social capital of an area and redress the balance in favour of planning applicants, whilst still seeking to protect and enhance the Borough's heritage.

**RECOMMENDATION 2:**

Amend DM27 to:

- be more permissive towards extensions, particularly mansard roofs within Conservation Areas;
- be more specific about what may and may not be appropriate within individual Conservation Areas (rather than having a blanket policy); and
- rely more strongly on the individual Conservation Area Assessments for decision-making on extensions

**RECOMMENDATION 3:**

Individually refresh the Conservation Area Character Appraisal and Management Documents for the eight Conservation Areas with family dwellinghouses where householders submit the most planning applications:

- Appraise properties within each Conservation Area and categorise them according to their suitability for extensions;
- Identify criteria where it would be possible to build additional roof storeys and back extensions and possible restrictions;
- Include detailed technical notes for repairs and restoration work and for extensions, back up by photo visuals to avoid ambiguity

**RECOMMENDATION 4:**

Write a policy for underground extensions and basements as part of the Local Plan refresh.

**RECOMMENDATION 5:**

Consult with residents in Conservation Areas on the use of Article 4 Directions to further restrict development as part of the Local Plan refresh.

**RECOMMENDATION 6:**

In line with any new approach to permitting roof extensions, create new Supplementary Planning Guidance for mansard roof extensions in Conservation Areas (and following this other issues) in order to help people plan, and understand the decision making process and the reasons why some changes be acceptable or not. The guidance should:

- Be clearly illustrated with examples of best practice to allow it to be readily and easily understood by non-professionals;
- Be prescriptive and consistent where materials for extensions and renovations are not appropriate.
- Set out permitted standard designs for additional roof storeys and rear extensions where planning is approved.
- Incorporate the principles of this guidance when refreshing the Conservation Area Character Appraisal and Management Guidance.

3.5 Once agreed, the Working Group's report will be submitted to Cabinet for a response to the recommendations.

#### **4. BODY OF REPORT**

4.1 Please refer to appendix one for the content of the report.

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

5.1 Following a Scrutiny challenge session on 17 November 2014, this report provides an update on the implications of conservation areas on the extension of family homes.

5.2 The recommendations resulting from the report are outlined in Section 3 above. The majority of the recommendations are associated with reviewing and updating policies and planning documentation - the main costs associated with these relate to officer time and the undertaking of a formal consultation process. All associated costs must be met from within existing revenue budgets.

#### **6. LEGAL COMMENTS**

6.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Executive to provide a response.

6.2 This report makes a number of recommendations which aim to protect and enhance the Borough's heritage, whilst providing more flexibility and guidance

to those wishing to carry out extensions and other forms of development to properties within the Borough's conservation areas. The report sets out the relevant planning policy relating to conservation areas.

- 6.3 Section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990 requires that with respect to any buildings or other land in a conservation area, in taking decisions on planning applications the decision maker must pay that special attention to the desirability of preserving or enhancing the character or appearance of that area. Case law suggests that whilst an assessment of the degree of harm is a matter for planning judgement, once a decision maker considering a proposal finds that there is harm to a conservation area they must give considerable weight to the desirability of avoiding that harm, and it is not enough to ask whether the benefits of a development outweigh the harm.
- 6.4 Any amendments to the Council's local plan would need to go through the statutory procedure set out in The Planning and Compulsory Purchase Act 2004 and The Town and Country Planning (Local Planning) (England) Regulations 2012. This includes inter alia extensive consultation and an independent examination. There is also a prescribed procedure which must be followed before a Supplementary Planning Document (SPD) can be adopted, involving two stages of public consultation. No independent examination is required prior to the adoption of a SPD because they are not development plan documents and carry less weight in decision making. Supplementary Planning Documents must not conflict with the adopted development plan.
- 6.5 Permitted development rights can be removed by a local planning authority through a direction made under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 ("the GPDO"). Guidance in the National Planning Policy Framework provides that the use of Article 4 directions to remove national permitted development rights, should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. Article 4 Directions are commonly used to provide a greater level of protection in conservation areas. Where development has been restricted by an Article 4 direction planning permission will be required. The procedure for making an Article 4 direction is set out in Articles 5 and 6 of the GDPO. Any proposal to make any Article 4 direction in respect of the Borough's conservation areas should commence with consultation.
- 6.6 In carrying out its functions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). The Council will have to comply with this duty in bringing forward and taking decisions on any proposed changes and appropriate screenings or equalities assessments will need to be undertaken.

7. **ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 Whilst the Council's focus is rightly social housing, the lack of supply of 4 and 5 bedroom houses has caused a housing predicament amongst some residents with growing families who live in period houses in one of the borough's many conservation areas.
- 7.2 The majority of the borough's period houses are located within a conservation area and therefore the residents who live in them are restricted in when it comes to building extensions.
- 7.3 Some householders have moved out of the borough in order to find larger period houses to suit the needs of their growing families. Families moving out of neighbourhoods can have a detrimental effect on community, social capital and economic prosperity in an area.

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

- 8.1 There are no direct environmental implications arising from the report or recommendations.

9. **RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no direct risk management implications arising from the report or recommendations.

10. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 There are no direct crime and disorder reduction implications arising from the report or recommendations.

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

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
1. Presentation from <b>LBTH Planning and Building Control Service</b> . Tower Hamlets policy & practice in relation to planning and Conservation Areas.	Vicky Allen ext 4320 <a href="mailto:vicky.allen@towerhamlets.gov.uk">vicky.allen@towerhamlets.gov.uk</a>

2. Presentation notes from ***The Society for the Protection of Ancient Buildings (SPAB)***.  
Vicky Allen ext 4320  
[vicky.allen@towerhamlets.gov.uk](mailto:vicky.allen@towerhamlets.gov.uk)
3. Presentation from ***Westminster City Council***. Westminster City Council's policy and practice in relation to planning in Conservation Areas.  
Vicky Allen ext 4320  
[vicky.allen@towerhamlets.gov.uk](mailto:vicky.allen@towerhamlets.gov.uk)
4. Presentation from Tower Hamlets ***Conservation & Design Advisory Panel (CADAP)***. Providing pictorial evidence and suggested good practice for Conservation Area Appraisal documents.  
Vicky Allen ext 4320  
[vicky.allen@towerhamlets.gov.uk](mailto:vicky.allen@towerhamlets.gov.uk)
5. Letter from ***English Heritage***. As the Government's statutory adviser on the historic environment, English Heritage were asked to comment on the core questions being asked in the scrutiny challenge session  
Vicky Allen ext 4320  
[vicky.allen@towerhamlets.gov.uk](mailto:vicky.allen@towerhamlets.gov.uk)

## 12. **APPENDICES**

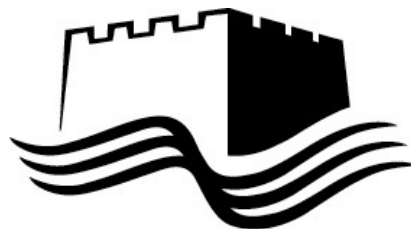
Appendix 1 – Planning in Conservation Areas: The implications of Conservation Areas on the extension of family homes.



## **APPENDIX ONE**

### **Planning in Conservation Areas: The implications of conservation area on the extension of family homes**

#### **Scrutiny Challenge Session Report**



**TOWER HAMLETS**

**London Borough of Tower Hamlets  
November 2014**

Councillor Joshua Peck

Chair of the review panel, Chair of Overview and Scrutiny

Tower Hamlets is special because of our unique history and because of our people.

The history of our borough in the history of our nation. It is the story of our treasured institutions: from the founding of the NHS by the post-war government of Limehouse MP Clement Attlee, to the home of the Crown Jewels at the Royal Palace of the Tower of London. It is the story (good and bad) of the wealth and power of our nation, built on the trade of British Empire flowing through our docks, now replaced by international finance flowing through Canary Wharf. It is the birth of the trade union movement, at those same docks, as well as the Bryant and May Match Factory in Bow. It is the fight against fascism on Cable Street and then during the Blitz. It is the story of the waves of immigration – Huguenot, Jewish, Irish, Bangladeshi – that over time have enriched our culture, our language and our cuisine. And it is a tale of firsts: the world's first public park at Victoria Park and the world's first social housing at the Boundary Estate. All around us is incredible heritage, built and intangible, that make our borough very precious.

The people of Tower Hamlets are no less special. Ours is a community that has changed dramatically over the centuries, but which has always retained the resilience, spirit and warmth that the East End is famous for.

It is therefore an irony that it is precisely these two things – our heritage and our people – that come into conflict when it comes to housing in our borough. We regularly talk about a housing crisis in Tower Hamlets but when we do, we mean social housing. Rightly so, given the desperate situation facing many of our residents. But housing problems are not limited to those living in social housing and many of our residents who own their own homes also struggle with housing problems, not least because of the very short supply of larger family homes in the borough. In the nine years I have been a councillor, I have been approached many times by residents who love living here and desperately want to stay, but who are forced to leave because, in the absence of a supply of larger family homes, the Council doesn't always allow them to extend their home. Our Conservation Area policy – essential in protecting our built environment – has been applied in a way that doesn't recognise that houses are for people, and heritage can only survive if it is allowed to be given on-going life by those people.

If the British Museum's Great Court can be given a contemporary roof, if the Louvre can gain a glass pyramid, if King's Cross can sprout a curving extension, then surely it must be possible for rows of Victorian houses to be extended in a way that protects and indeed enhances their historic value, and enables our residents to stay in our borough.

I hope the recommendations in this report result in a real change in our policy and therefore the lives of many of our residents. It is time.

I would like to thank the officers who made this report possible, the speakers who contributed to our session, the Councillors who came along, Cllr Khan for giving her time and most of all the residents who came and made their case so powerfully.

## **Summary of recommendations**

### **RECOMMENDATION 1:**

The Council should recognise the detrimental impact that some planning restrictions are having on residents and the social capital of an area and redress the balance in favour of planning applicants, whilst still seeking to protect and enhance the Borough's heritage.

### **RECOMMENDATION 2:**

Amend DM27 to:

- be more permissive towards extensions, particularly mansard roofs within Conservation Areas;
- be more specific about what may and may not be appropriate within individual Conservation Areas (rather than having a blanket policy); and
- rely more strongly on the individual Conservation Area Assessments for decision-making on extensions

### **RECOMMENDATION 3:**

Individually refresh the Conservation Area Character Appraisal and Management Documents for the eight Conservation Areas with family dwellinghouses where householders submit the most planning applications:

- Appraise properties within each Conservation Area and categorise them according to their suitability for extensions;
- Identify criteria where it would be possible to build additional roof storeys and back extensions and possible restrictions;
- Include detailed technical notes for repairs and restoration work and for extensions, back up by photo visuals to avoid ambiguity

### **RECOMMENDATION 4:**

Write a policy for underground extensions and basements as part of the Local Plan refresh.

### **RECOMMENDATION 5:**

Consult with residents in Conservation Areas on the use of Article 4 Directions to further restrict development as part of the Local Plan refresh.

### **RECOMMENDATION 6:**

In line with any new approach to permitting roof extensions, create new Supplementary Planning Guidance for mansard roof extensions in Conservation Areas (and following this other issues) in order to help people plan, and understand the decision making process and the reasons why some changes be acceptable or not. The guidance should:

- Be clearly illustrated with examples of best practice to allow it to be readily and easily understood by non-professionals;
- Be prescriptive and consistent where materials for extensions and renovations are not appropriate.
- Set out permitted standard designs for additional roof storeys and rear extensions where planning is approved.
- Incorporate the principles of this guidance when refreshing the Conservation Area Character Appraisal and Management Guidance.

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## 1. INTRODUCTION

- 1.1 Tower Hamlets is varied and rich in international, national and locally important heritage that make up its distinct character. The borough's Conservation Strategy describes heritage in Tower Hamlets as being influenced by trade and industry, migration and change and can be found in our buildings, archaeology, parks, open spaces, views, heritage collections and intangible heritage.
- 1.2 All councils as Local Planning Authorities (LPAs) have a general duty towards conservation in the exercise of their planning functions. The Planning (Listed Buildings & Conservation Areas) Act 1990 requires Local Planning Authorities to pay special attention to the desirability of preserving or enhancing the character or appearance of areas of special architectural and historic interest. Local Planning Authorities manage irreplaceable heritage assets so that they can be enjoyed by current and future generations by using their powers to designate Conservation Areas.
- 1.3 However, the duty to preserve the borough's heritage can be seen as being in tension with the need of our built heritage to continually evolve to meet the changing needs of our residents. The lack of supply of family-sized houses has caused a housing predicament amongst some residents with growing families who live in period houses in one of the borough's Conservation Areas and have therefore been unable to extend their homes.
- 1.4 There is a high level of concern amongst some Councillors and residents that restrictions on expanding these properties discourage the residents who live in them from putting down roots as their families grow, which has a detrimental effect on those communities.
- 1.5 The aim of the Challenge Session was to explore what changes to planning policy, practice or procedures could be made to address these concerns, whilst still protecting the character of Conservation Areas. The session was chaired by Cllr Joshua Peck, Chair of Overview and Scrutiny. It took place on Monday 17th November 2014.
- 1.6 The session was attended by:

Cllr Joshua Peck	Chair of Overview and Scrutiny Committee (Bow West Ward)
Cllr Rabina Khan	Cabinet Member for Housing Development (Shadwell Ward)
Cllr John Pierce	Weavers Ward
Cllr Amina Ali	Bow East Ward
Cllr Asma Begum	Bow West Ward
Sara Crofts	The Society for the Protection of Ancient Buildings (SPAB)
Tom Burke	Westminster Council Planning
Jonathan Freegard & Mellis Haward	Tower Hamlets Conservation & Design Advisory Panel (CADAP)
Tom Gill & Keith Whiteside	Residents, Medway Conservation Area
Owen Whalley	Service Head for Planning and Building Control,

	Tower Hamlets Council
Mark Hutton	Team Leader Strategic Planning / Conservation, Tower Hamlets Council
Andrew Hargreaves	Borough Conservation Officer, Tower Hamlets Council
Vicki Lambert	Heritage and Design Officer, Tower Hamlets Council
Vicky Allen	Strategy, Policy and Performance Officer, Corporate Strategy & Equality, Tower Hamlets Council

- 1.7 In addition, the session was attended by approximately 50 residents from various Conservation Areas across the borough.
- 1.8 The Scrutiny Challenge Session took the format of an evening meeting which was held in St. Paul Old Ford Church. An article in the Council's newspaper East End Life invited residents to participate, and the chairs of several residents associations located within Conservation Areas were invited to attend.
- 1.9 The agenda for the session included an introduction to the key issues under review by Councillor Joshua Peck. Following this, attendees heard from two residents of the Medway Conservation Area who were in favour of relaxing planning controls. They spoke about not being able to extend houses within a Conservation Area and its impact on their family lives. They also gave witness statements for several other families who had either moved out of the borough or were considering doing so because they needed more living space.
- 1.10 A presentation from the Council's Head of Strategic Planning and Conservation provided background facts about the Conservation Areas in the borough and information about the Council's policy approach to planning in Conservation Areas. Attendees then heard from the Society for the Protection of Ancient Buildings (SPAB) who provided a practitioners perspective. A member of the Conservation Team at Westminster City Council presented their approach to planning in Conservation Areas, and the Conservation and Design Advisory Panel (CADAP) spoke about their role and the work they were currently undertaking in reviewing their Conservation Area Character Appraisals. These presentations were followed by a question and answer session.
- 1.11 Residents were then invited to take part in a workshop session where they were asked to provide suggestions to the core question for the session: To better meet the needs of growing families living in Conservation Areas:
- a) What changes to planning policy or practice are possible, which still protect the character of Conservation Areas? and
  - b) Are there any improvements that could be made in the planning application process in relation to extensions in Conservation Areas?

## 2. NATIONAL LEGISLATIVE AND POLICY BACKGROUND

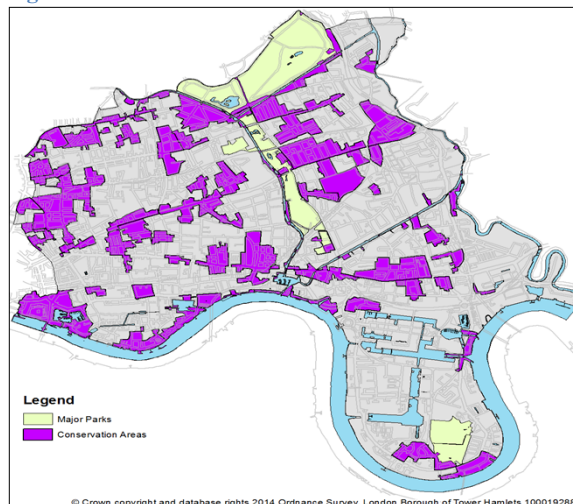
### What is a Conservation Area?

- 2.1 Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990** gives powers to Local Planning Authorities (LPAs) to identify any 'areas of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance' and designate them as Conservation Areas. It also obliges LPAs to consult and have regard for the views of the public, English Heritage and other local amenity groups. In addition LPAs are required to formulate and publish proposals for the preservation and enhancement of any parts of their area which are Conservation Areas, including the mechanism for reviewing them.
- 2.2** All householders are able to make certain changes to their properties without planning permission and these are outlined in the Permitted Development for Householders Technical Guidance from the Department for Communities and Local Government. The ability to alter properties in a way which needs planning application approval for house owners in Conservation Areas is controlled by planning policy. This includes some additional controls on the external appearance, design and the choice of materials for alterations or refurbishment, potentially increasing costs. The controls are articulated in the Council's Local Plan policies and the Conservation Area Character Appraisal and Management Documents (Conservation Area CA&MD) for each Conservation Area. Overall English Heritage estimates that over 9,800 Conservation Areas have been designated in England since the 1960s.
- 2.3 Article 4 Directions** can be made by LPAs, following public consultation, when further control of development in a Conservation Area is desirable. If a single family dwellinghouse is covered by an Article 4 Direction, additional Planning Permission is required to carry out some minor external alterations or home improvements - such as changing doors and windows or painting brickwork on the outside of a property. There are, however, currently no Article 4 Directions in place in Tower Hamlets.
- 2.4** Section 12 of the **CLG National Planning Policy Framework (NPPF)** sets out the Government's strategic framework for conserving and enhancing the historic environment. It states that LPAs should set out in their Local Plan a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats, taking into account:
- The desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
  - The wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring;
  - The desirability of new development making a positive contribution to local character and distinctiveness; and
  - Opportunities to draw on the contribution made by the historic environment to the character of a place
- 2.5** When considering the designation of conservation areas, LPAs are directed to ensure that an area justifies such status because of its special architectural or

historic interest, and that the concept of conservation is not devalued through the designation of areas that lack special interest. The guidance also states that the effect of an application on the significance of non-designated heritage assets should be taken into account in determining the application. In weighing applications that affect directly or indirectly non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset. The guidance also requires LPAs to make information about the significance of the historic environment, gathered as part of plan-making or development management, publicly accessible.

- 2.6 Tower Hamlets has 58 Conservation Areas and over 2000 Listed. Approximately 25% of the borough's land mass (excluding parks and bodies of water) is in a Conservation Area. This compares with 25-30% of Hackney, 50% in Islington, and 75% in Westminster. A map showing the Conservation Areas in the borough is shown below and Appendix 1.

Figure 1: Tower Hamlets Conservation Areas



### Living in a conservation area

- 2.7 In 2012 English Heritage commissioned a report from the London School of Economics and Political Science (LSE) called '**An Assessment of the Effects of Conservation Areas on Value**'. The report looked into the costs and benefits that are associated with a location of a property inside or near a Conservation Area, and some of the softer benefits of conservation designation including: encouraging identity, community cohesion and promoting regeneration.
- 2.8 The research concluded that the benefits of living in a Conservation Area outweighed those of not living in a Conservation Area. The research found that there was on average, a price premium of about 23% for properties inside designated Conservation Areas, although this was at least in part due to favourable property and location characteristics that are associated with conservation designation.
- 2.9 The report surveyed a variety of people including homeowners living in Conservation Areas and found that residents had high satisfaction with the

built environment and had positive feelings of community and neighbourliness in their local area.

- 2.10 The study also found that some residents rationalised and accepted planning decisions that were not necessarily favourable to them but were perceived to be in the interests of the Conservation Area generally, highlighting the importance local residents placed on the Conservation Area.

### **Conservation Area Designation**

- 2.11 There are a number of ways in which the designation of a Conservation Area may be triggered: through Officers duties under the Planning Act as outlined in 2.1 above; the request to designate may be raised as part of the development management process when considering new developments; or requested by residents and Members.
- 2.12 An analysis of the request is undertaken by preparing a draft Conservation Area Character Appraisal. The proposal is taken by Officers to the Mayor seeking approval for public consultation. The Council has a duty to consult on Conservation Area designation both with the public, through public meetings, and with statutory amenity bodies such as English Heritage. Following consultation, and taking into account the consultation, proposals are taken back to the Mayor for approval. The mechanism for reviewing Conservation Areas is not currently formalised. However following the Scrutiny Challenge Session, Officers have agreed that a review will be undertaken every five years including public consultation.

## **LOCAL CONTEXT**

### **Strategic Approach to Conservation**

- 2.13 Tower Hamlets planning policy consists of a series of documents, as required by law, that set out the Council's approach to managing development by assessing planning applications to create a more vibrant, sustainable community. The **Local Plan for Tower Hamlets** comprises of the **Core Strategy** and **Managing Development Document (MDD)**. The Core Strategy identifies the range of heritage assets that exist in the borough and their contribution to the character, history and heritage of the borough. The MDD contains a set of policies to control development and use of land in the borough. These policies are in conformity with the London Plan and the NPPF
- 2.14 MDD policy **DM27** relates to the management of the borough's heritage and historic environment. It states that the Council takes a proactive approach through its Conservation Strategy to protect and enhance Tower Hamlets' heritage resources, to ensure that it can be appreciated and enjoyed by current and future generations. Planning decisions will be informed by the nature, extent and level of significance of heritage assets. To help conserve heritage assets, an appropriate and viable use must be consistent with their conservation. However restrictions on development in a historic environment should not be used to hinder otherwise satisfactory development.
- 2.15 The MDD explains that the alteration, extension, change of use, or development within a heritage asset will only be approved where:
- It does not result in an adverse impact on the character, fabric or identity of the heritage asset or its setting;



- It is appropriate in terms of design, scale, form, detailing and materials in its local context;
- It enhances or better reveals the significance of the asset or its setting;
- Opportunities to mitigate or adapt to climate change through the re-use or adaptation are maximised; and
- In the case of a change of use, a thorough assessment is carried out of the practicability of retaining its existing use and the wider benefits of the proposal use.

Further information about the national and local planning documents relating to conservation of the historic environment is contained in Appendix 2.

### **Policy and Practice within Conservation Areas**

2.16 The **MDD** sets out that in implementing planning policy DM27 within Conservation Areas, the Council may allow:

- Additional roof storeys to buildings, but not where they would harm the significance, specifically the appearance and character, of terraces or groups of buildings where the existing roof line is of predominantly uniform character.
- A rear extension, provided it does not harm the significance specifically that it does not extend beyond the general rear building line of the terrace or group; it does not rise above the general height of extensions in the terrace or group; and it does not destroy the uniformity or rhythm of the terrace or group.

2.17 **Character Appraisal & Management Guidelines** for all of the Council's Conservation Areas have been prepared within the last 5 years to provide detailed information about the area's architectural and historic character and to provide an overview of planning policy and propose management guidelines on how this character should be preserved and enhanced in the context of appropriate on-going change.

2.18 Permitted development is uniform across the borough (including in Conservation Areas) as Tower Hamlets has not enacted Article 4 powers. Where planning permission is required, Officers have a duty to take a balanced approach to the use of policy when comparing other development needs with heritage preservation. Whilst referring to the guidance in DM27 and the Conservation Area CA&MDs, consideration is also given to the other policies in the MDD, such as policies on delivering homes and affordable housing (DM3).

### **Analysis of demand for extensions**

2.19 This challenge session arose because there was a concern by some residents and Members about the lack of availability of 3, 4 and 5 bedroom family houses. With planning permissions restricted by Conservation Area designation, many residents in attendance expressed that they were considering moving away from the area in order to gain more space to meet the needs of their growing families.

2.20 Analysis of housing size and type in Tower Hamlets indicates that the borough has a lower proportion of both houses and family-sized homes in the borough than the London average. 14% of the overall stock in the borough is

classified as a house compared to 28% of stock London-wide. The majority of the borough's period houses are located within a Conservation Area.

- 2.21 The proportion of family-sized homes in the borough is the 3rd lowest in inner-London. Family sized housing is defined as properties which have 3 or more bedrooms. Census data indicates that 28% of all stock in the borough is family-sized (including both houses and flats) compared to the London average of 46%. Of the 101,257 dwellings in the borough just over 10,000 are family sized houses equating to almost 10% of the borough's stock.
- 2.22 There are fewer period properties in Tower Hamlets than other boroughs, with 36% <sup>1</sup>of private stock in Tower Hamlets having been built since 1990, compared to 12%<sup>2</sup> nation-wide.
- 2.23 Whilst there is demand for enhancements, alterations and extensions of all types, there is a particular interest in additional roof storeys or '**mansard roof extensions**'. When asked by the Chair how many of the 50 or so residents at the meeting had come because of concerns about the restrictions on mansard roofs, a large majority of the attendees raised their hands. Mansard roofs are popular because they make maximum use of space, and are viewed as being sympathetic to the existing architecture (many Victorian and Georgian homes were originally built with mansards). A mansard roof has two slopes on each of the four sides. The lower slope is so steep that it can look like a vertical wall with dormers. The upper slope has a low pitch and is not easily seen from the ground. A mansard roof has no gables. Mansard roofs are considered especially practical because they allow usable living quarters to be placed in the attic. For this reason, older buildings are sometimes remodelled with mansard roofs. As 'mansard' is a specific term, this report refers to the general term '**additional roof storeys**' because whilst these can be mansards they can often take on other forms of design.

Figure 2: Example of a typical 'Mansard' Roof extension



- 2.24 The Chair asked why the Council, as a Local Planning Authority, applied a ban on alterations to the Borough's terraces whereas the historical buildings such as the British Museum, King's Cross Station and the building in which the meeting was being held in had all been able to have extensions or alterations made to them. The Team Leader Strategic Planning/Conservation said that it was a matter of quality and design.

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<sup>1</sup> 2011 private sector stock conditions survey

<sup>2</sup> 2009 English housing survey

### 3. KEY FINDINGS AND RECOMMENDATIONS

- 3.1 The aim of the Challenge Session was to see if a middle-ground could be found between preserving the special character of Conservation Areas and supporting the extension of family homes. To this end, residents heard evidence from Officers from the Council's Planning and Conservation service, SPAB, Westminster Council, and the CADAP. They were asked to consider what changes to planning policy or practice are possible, which still protect the character of Conservation Areas; and to identify any improvements that could be made in the planning application process in relation to extensions in Conservation Areas. Residents identified issues relating to balance, consistency, enforcement and clarity.

#### Getting the balance right

- 3.2 All residents agreed that there was a positive value to living in a Conservation Area. However Members and many of the residents were not convinced that the removal of blanket-ban on extensions, especially additional roof storeys, would have a subsequent detrimental impact on the character of their Conservation Area.
- 3.3 Two residents of **Medway Conservation Area** spoke about how not being able to extend family homes, due to the planning restrictions placed on their houses, had detrimentally impacted on their family lives. One family had their planning application for an additional roof storey extension turned down, despite the proposed extension being set so far back that it would not have been visible from the street. They gave examples of families who had moved away, and some that were considering doing so, because of the effective ban on additional roof storeys. They spoke about the effect this had on friendships, their children's schooling, the sense of community and of a feeling that there was a loss to the social capital for the area. They felt that enabling families to stay in their homes, by allowing extensions, would help to create a cohesive community where families can put down roots. They felt that this was better than the risk of a transient population which could be caused by houses being bought for buy-to-let.
- 3.4 Many residents agreed with the idea that the character of an area is defined as much by its resident community as the character of the properties within it, and that those communities can be destroyed when families move out of an area because planning restrictions prohibit them to extend their property.
- 3.5 The speakers from the Medway Conservation Area felt that adding an additional roof storey to the properties in their Conservation Area would not be detrimental to the overall look of the area, if they are done sympathetically. Another resident felt that building a well-designed extension was a way of investing in the houses in Conservation Areas, bringing them up to date, and restoring them so that they are still relevant for family living in another 100 years-time.
- 3.6 Jonathan Freegard and Mellis Haward from the borough's **Conservation and Design Advisory Panel (CADAP)** spoke about their role in providing the Council with independent professional specialist design and conservation advice and evaluation of new developments. Jonathan Freegard felt that that where done well, mansard-style roofs can liven up the streetscape compared to a continuous line of high parapets. Many attendees considered that on

balance, additional roof storeys were cheaper, more in keeping with Victorian origins, and less disruptive to neighbours than digging out an additional floor below ground level, as had been permitted by the Planning Authority in many Conservation Areas.

- 3.7 Not all attendees who were pro-extensions were so because of needing additional space for expanding families. One resident spoke about wanting to restore her property, to bring it up modern standards, by creating an extension in order to accommodate an upstairs bathroom. Another resident talked in the break-out session about needing the space to care for an elderly relative with dementia
- 3.8 Cllr Rabina Khan, Cabinet Member for Housing and Development spoke about the need for planning regulations to be supportive of the complex needs that some families have. For example adaptations and additional space to accommodate the needs of older or disabled people, supporting them to live independently.
- 3.9 However, there were some residents at the session who opposed the relaxing of any planning restrictions in Conservation Areas. Whilst sympathetic to the dilemma facing growing families, several residents felt that residents should accept the conditions and compromises that living in a Conservation Area brings – otherwise the character that makes the area special is at risk of being lost. Some residents complained about the loss of amenity, such as light, and the disruption that building extensions brings. Finally, one resident felt that allowing property expansion in one area could be a green light to more extreme requests in the future – for example replacing garden sheds with annex homes or excavating extensive basements.
- 3.10 Sara Crofts from **SPAB** quoted SPAB's founder William Morris: '*we are only trustees for those that come after us*'. She spoke about the Society's statutory role as adviser to local planning authorities. SPAB have a firm set of principles about how old buildings should be repaired and the practical knowledge to show how these can be put into effect. She explained that not all terraces are the same and what works well in one terrace may not be suitable elsewhere - although it can be difficult to get people to appreciate these subtle differences and their implications. Sarah Crofts outlined the importance of Local Planning Authorities having a full and detailed understanding of the different characters of their various Conservation Areas. She added that where there are new developments, these works needed to respect the continuity of the streetscape in terms of building lines and heights, as well as details, materials and careful design.
- 3.11 In preparation for the session, Scrutiny sought the view of English Heritage who provided written evidence. English Heritage appreciated people's desire to enlarge existing properties, and understood the great pressure on space in an inner-London borough like Tower Hamlets. However they felt that extending period houses in Conservation Areas should be considered within the context of other factors, such as the availability of existing or planned larger family homes and the risk that larger older properties could be sub-divided further reducing the availability of large family sized homes. Planning officers have pointed out that the Council already has a policy that deals with this concern, as it prohibits the sub-division of family sized homes.

- 3.12 English Heritage's view is that the scale of many of the smaller Victorian properties is such that even where extension is possible, this is unlikely to provide the longer term scale of space and demand. This does not accord with the views of many local residents however, who are clear that an additional bedroom or two would be sufficient to accommodate their families. English Heritage argues that this issue could potentially only be resolved through planning for larger homes within new developments. This does not fully address the fact that many residents choose to live in period homes, rather than new build developments.
- 3.13 On balance, the Challenge Session Members considered that the needs of residents are not adequately met by the Council's current policy and practice with regards to extensions to homes within Conservation Areas. They further considered that it would be possible – with high quality, appropriate design – to add mansard roof or other extensions to homes within Conservations Areas, without damaging the heritage and in some cases it may even enhance it.

**RECOMMENDATION 1:**

The Council should recognise the detrimental impact that some planning restrictions are having on residents and the social capital of an area and redress the balance in favour of planning applicants, whilst still seeking to protect and enhance the Borough's heritage.

**RECOMMENDATION 2:**

Amend DM27 to:

- be more permissive towards extensions, particularly mansard roofs within Conservation Areas;
- be more specific about what may and may not be appropriate within individual Conservation Areas (rather than having a blanket policy); and
- rely more strongly on the individual Conservation Area Assessments for decision-making on extensions.

**Clarity of policy and practice**

- 3.14 The Council's Local Plan currently sets out policies that control development in Conservation Areas generally and in particular for additional storeys. Many residents expressed a wish to see these policies changed in some Conservation Areas to allow the extension of family houses.
- 3.15 At the session Tom Burke, Head of Design and Conservation at **Westminster City Council** gave an overview of the approach taken to planning in residential Conservation Areas in the borough. Westminster undertakes audits which individually appraise each property within the Conservation Area and categorise them according to their suitability for extensions. Supplementary Planning Guidance on roof extensions and on development and demolition in Conservation Areas is provided and cross referenced in the Character Appraisals. This guidance includes technical drawings and notes backed up by photographic visuals to avoid ambiguity. By using colour coding within the conservation character appraisals, along with detailed planning information, Westminster felt that their approach provided residents

with a clear steer on where rear extensions and additional roof storeys would be acceptable.

- 3.16 CADAP said that, on behalf of the Council, they had been asked to look at the issue of extensions to family homes in the eight Conservation Areas which receive the most planning applications (Chapel House, Driffield Road, Fairfield Road, Jesus Hospital Estate, Medway, Tredegar Square, Victoria Park and York Square Conservation Areas). CADAP felt that the Council could better manage change in its Conservation Areas by enhancing the existing Character Appraisals to identify, areas if any, where they considered extensions would be appropriate.
- 3.17 **English Heritage** identified Conservation Area Appraisals produced by [Brent](#) and [Barnet](#) as examples of good practice. They are similar to the previous examples given by Westminster Council and CADAP, in that they give clarity by providing more detailed information and advice for homeowners.
- 3.18 Participants agreed that they would like to see the Council revise the Character Appraisal and Management Guidelines for each Conservation Area. There was support for the example from Westminster Council, where each property was individually evaluated with a view to identifying suitability for extensions. Residents who were pro-extensions agreed the importance of getting this right - otherwise there was a real risk that any extension or enhancements would be detrimental to the character of the Conservation Area.
- 3.19 However it was also recognised that a balance should be struck between the Westminster City Council approach and the Council's current approach, as there is a risk that undertaking such detailed audits could lead to rules on planning in Conservation Areas becoming more prescriptive and restrictive.

**RECOMMENDATION 3:**

Individually refresh the Conservation Area Character Appraisal and Management Documents for the eight Conservation Areas with family dwellinghouses where householders submit the most planning applications:

- Appraise properties within each Conservation Area and categorise them according to their suitability for extensions;
- Identify criteria where it would be possible to build additional roof storeys and back extensions and possible restrictions;
- Include detailed technical notes for repairs and restoration work and for extensions, back up by photo visuals to avoid ambiguity

- 3.20 Councillor John Pierce asked for clarification on the Council's position on underground extensions e.g. basements. It was noted that there is currently no policy on this type of extension as these are relatively new to the borough. It was agreed that a policy covering basement conversions and other underground extensions should be written as part of the Local Plan review. The Committee felt that, on the whole, these were often intrusive and damaging to heritage.

**RECOMMENDATION 4:**

Write a policy for underground extensions and basements as part of the Local Plan refresh.

## **Differentiation of approach between different needs of various CAs**

- 3.21 Whilst there was a general feeling that there should be consistency in decision-making, especially within Conservation Sub-Areas, there was also agreement that rules should not be developed with a blanket approach borough-wide. CADAP members felt that there was a need for clearer guidance on what is allowed; identifying the special characteristics of the various Conservation Areas that need to be preserved. For example, the Jesus Hospital Estate was cited as affording special protection because of the highly attractive and unaltered nature of so much of the building stock which forms part of its distinctive character.

### **RECOMMENDATION 5:**

Consult with residents in Conservation Areas on the use of Article 4 Directions to further restrict development as part of the Local Plan refresh.

## **Consistency in approach**

- 3.22 Many residents complained about a lack of consistency in the application of the Council's planning policy and the advice given by Officers which they felt was unfair. One resident cited an example where a neighbour had been granted planning permission in 2006 but did not proceed, however when she applied for the same planning permission it was refused.
- 3.23 The Medway Conservation Area speakers felt that there was a contradiction between what planning permissions were acceptable for new-builds compared to existing houses in Conservation Areas, with the former having less restrictions placed upon them. Councillor Joshua Peck also felt that there was inconsistency in approach when comparing planning restrictions for houses in Conservation Areas with other buildings such as shops, where these have been allowed to extend to include more residential space above and behind the shop front.
- 3.24 In addition to consistency around planning application decisions, many residents felt that the guidance around permissible materials given by the Council was also not consistent and in some places contradictory. One example given was where residents felt that Officers found it acceptable to have uPVC front doors but not uPVC windows.
- 3.25 Councillor Joshua Peck stated that many residents are frustrated that some people get away with making unsuitable, unpermitted alterations to their homes whilst proposed extensions which were felt by some to be aesthetically attractive and in keeping with the style of a property were not approved. The Head of Planning and Building Control advised that, where there is a requirement for planning permission, alterations such as cladding and uPVC were not permitted in Conservation Areas as they alter the traditional appearance of the properties. The Head of Planning and Building Control also stated that although the borough takes planning enforcement seriously, they did sometimes have to rely on residents letting them know of any breaches of planning control so that they could be investigated. He also stressed the Council's obligation to exercise expediency in relation to formal action especially if planning permission would be granted for minor alterations if applied for retrospectively.

- 3.26 Some participants said that they had been put off from applying for planning permission because they felt their application would be refused, making a point that there was more demand for rear extensions and additional roof storeys than the Council may be aware of.
- 3.27 In their presentation, CADAP showed residents a Conservation Area guide which had been prepared in the past for the Tredegar Square area by the Greater London Council. They cited this as good practice because of the clear pictorial and technical detail relating to what was considered to be the basic elements of acceptable rear and roof extensions, including specifying the materials that should be used. The Westminster City Council Character Appraisal example also included this detailed information. The CADAP members felt that there was scope for clearer guidance on what was allowed and appropriate, and they showed attendees aerial photographs of terraced houses in Conservation Areas across the borough to illustrate their point about the need for a standard design and materials guide.
- 3.28 Residents felt that the current guidance provided by the Council on what is and is not permissible, both in terms of design and materials used, did not provide sufficient detail to be helpful. There was a risk that this could lead to Officers inconsistently applying planning policy and advice. Residents in favour of permitting extensions in Conservation Areas agreed that there should be clear guidance on what designs and materials would be acceptable so as to not detract from the character and attractiveness of their Conservation Area.
- 3.29 The CADAP members argued that as well as providing clarity for residents and promoting consistency in decision making, clearer guidance would also be more efficient for both Planning Officers and residents, cutting down on duplicative requests for further guidance.

**RECOMMENDATION 6:**

In line with any new approach to permitting roof extensions, create new Supplementary Planning Guidance for mansard roof extensions in Conservation Areas (and following this other issues) in order to help people plan, and understand the decision making process and the reasons why some changes be acceptable or not. The guidance should:

- Be clearly illustrated with examples of best practice to allow it to be readily and easily understood by non-professionals;
- Be prescriptive and consistent where materials for extensions and renovations are not appropriate.
- Set out permitted standard designs for additional roof storeys and rear extensions where planning is approved.
- Incorporate the principles of this guidance when refreshing the Conservation Area Character Appraisal and Management Guidance.

**Glossary**

SPAB	Society for the Protection of Ancient Buildings
CADAP	Conservation and Design Advisory Panel
CA	Conservation Area
CA CA&MD	Conservation Area Character Appraisal and Management Document



NPPF	National Planning Policy Framework (Communities and Local Government)
LPA	Local Planning Authority (Councils)
DM27	Planning Policy relating to the management of heritage and the historic environment
Permitted Development Rights	Certain types of minor change to houses without the need to apply for planning permission. They derive from a general planning permission granted not by the local authority but by Parliament. Permitted development rights apply to many common projects for houses but do not apply to flats, maisonettes or other buildings
CLG	Department for Communities and Local Government
MDD	Managing Development Document (part of the Local Plan for Tower Hamlets)
DM	Development Management (policy within the MDD)

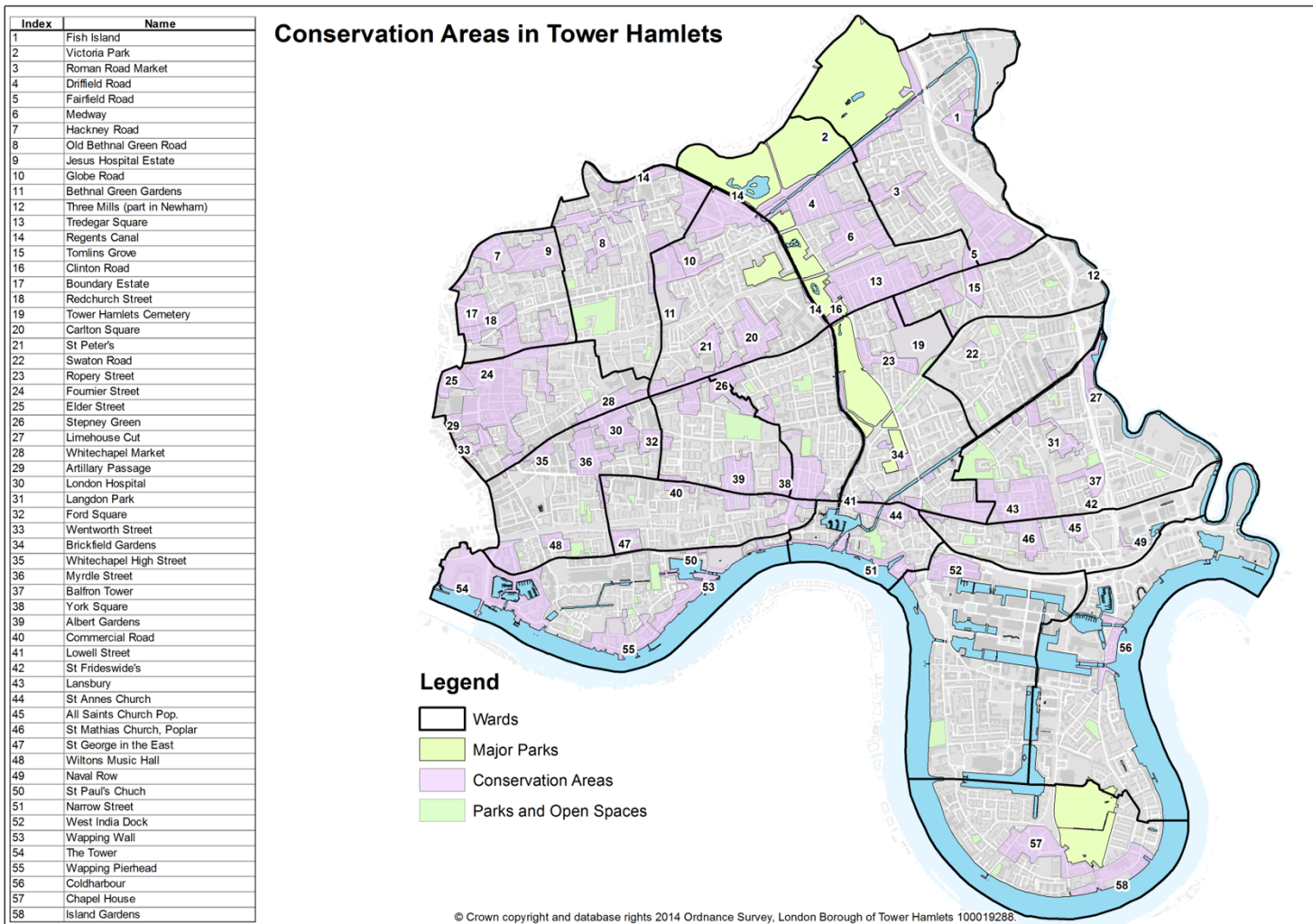
Brent Council Conservation Area Design Guide:

<http://brent.gov.uk/media/194914/Mapesbury%20conservation%20area%20design%20guide.pdf>

Barnet Council Finchley Church End Conservation Area Character Appraisal:

[http://www.barnet.gov.uk/downloads/file/189/finchley\\_church\\_end](http://www.barnet.gov.uk/downloads/file/189/finchley_church_end)

## Appendix 1.1 – Conservation Areas in Tower Hamlets



## Appendix 1.2 – Planning Policy relating to Conservation Areas

Document	Summary in relation to Conservation Areas
<b>Government Planning Policy</b>	
Planning (Listed Buildings and Conservation Areas) Act 1990	<p>An Act relating to special controls in respect of buildings and areas of special architectural or historic interest.</p> <p><b>Section 69 &amp; 70</b> – Sets out the power of LPAs to designate and review Conservation Areas.</p> <p><b>Section 71</b> – Requires LPAs formulation and publication of proposals for preservation and enhancement of conservation areas.            (1) It shall be the duty of a local planning authority from time to time to formulate and publish proposals for the preservation and enhancement of any parts of their area which are conservation areas.            (2) Proposals under this section shall be submitted for consideration to a public meeting in the area to which they relate.            (3) The local planning authority shall have regard to any views concerning the proposals expressed by persons attending the meeting.</p> <p><b>Section 72</b> – specifies that in making a decision on an application for development in a conservation area, special attention shall be paid to the desirability of preserving or enhancing the character of appearance of that area.</p>
National Planning Policy Framework (NPPF)(DCLG) 2014	<p>The NPPF sets out the Government’s advice on planning policies for England. Section 12, Conserving and Enhancing the Historic Environment, requires LPAs to set out in their Local Plan a positive strategy for the conservation and enjoyment of the historic environment.</p> <p>Paragraph 62 of the NPPF directs local planning authorities to have local design review arrangements in place to provide assessment and support to ensure high standards of design. They should also when appropriate refer major projects for a national design review. In general, early engagement on design produces the greatest benefits. In assessing applications, local planning authorities should have regard to the recommendations from the design review panel.</p>
Town and Country Planning (General Permitted Development) Order 1995	<p>The provision to make certain types of minor changes to a house without needing to apply for planning permission. They derive from a general planning permission granted not by the local authority but by Parliament. What changes are permitted are described in a document entitled Department for Communities and Local Government Permitted Development for Householders technical guidance. The Order contains <b>Article 4</b> which places restrictions on permitted development rights, especially those that are publically visible from a highway, waterway or open space.</p>
Department for Communities and Local Government Permitted development for householders Technical Guidance – April 2014	<p>Accompanies the above Order. This document outlines what development is permitted and whether planning permission is required.</p>

<b>Document</b>	<b>Summary in relation to Conservation Areas</b>
<b><i>Regional Planning Policy</i></b>	
(London Plan 2011) Spatial Development Strategy for Greater London –	Chapter 7, Historic Environment and Landscapes requires boroughs, in consultation with English Heritage, Natural England and other related statutory organisations, to include appropriate policies in their LDF for identifying, protecting, enhancing and improving access to historic environment and heritage assets, memorials, historical and natural landscape character within their area.
<b><i>Local Planning Policy</i></b>	
Local Plan for Tower Hamlets (previously the Local Development Framework)	The Local Plan for Tower Hamlets which comprises the Core Strategy and the Managing Development Document sets out the Council's aim to protect and enhance Conservation Areas by preserving or enhancing the wider built heritage and historic environment of the borough, enabling the creation of locally distinctive neighbourhoods through encouraging and supporting development that preserves and enhances the heritage value of the immediate and surrounding environment and the wider setting. This document identifies the delivery of these aims through the Conservation Strategy and the Conservation Area Character Appraisal and Management Guidelines.
Tower Hamlets Adopted Core Strategy 2025	Core Strategy Spatial Policy 10 identifies the range of heritage assets that exist in the borough and their contribution to the character, history and heritage of Tower Hamlets. This policy provides more detailed assessment criteria to ensure that these assets are protected and enhanced by any development proposal that directly impacts on these or their setting.
Tower Hamlets Managing Development Document (MDD)	The MDD forms part of the Local Plan for Tower Hamlets. It contains a set of policies to transform the control of development and use of land into a more positive and proactive process which fits better with the ethos of spatial planning and better supports local authorities in their role as place shapers. Development Management DM27 relates to the management of the borough's heritage and the historic environment.
Tower Hamlets Conservation Strategy 2010	The Strategy feeds into the Borough's Local Plan and is aligned with the Core Strategy. The Conservation Strategy focuses on managing and enabling change to heritage resource in a way that preserves its significance. It provides guidance at borough level.
<b><i>Supplementary Planning Documents</i></b>	
Conservation Area Character Appraisal and Management Guidelines	There is a Conservation Area Character Appraisal and Management Guidelines document for each of the borough's 58 Conservation Areas. The documents set out detailed information about the area's architectural and historic character and provide an overview of the planning policy and purpose management guidelines on how this character should be preserved and enhanced.
Extension and Roof Additions Guidance	General advice for residents who may be considering the alteration or extension of their residential property