

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 12 May 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 Mustaquim	

Co-opted Members:

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

Contact for further enquiries:

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London, E14 2BG
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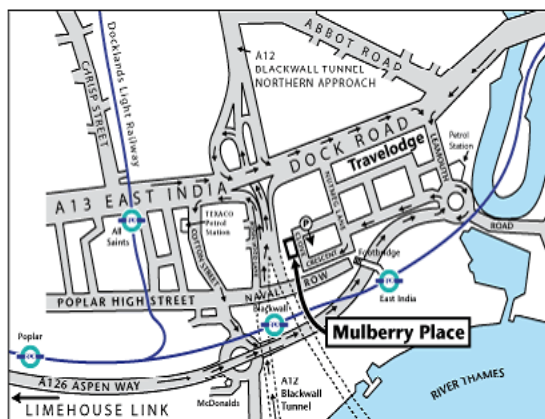
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SECTION ONE**WARD****PAGE
NUMBER(S)****1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF DISCLOSABLE
PECUNIARY INTEREST****1 - 4**

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

3. UNRESTRICTED MINUTES

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 7th April, 2015.

4. REQUESTS TO SUBMIT PETITIONS

To receive any petitions (to be notified at the meeting).

5. UNRESTRICTED REPORTS 'CALLED IN'

The following decisions of the Executive have been 'called in'.

**5.1 New Civic Centre Whitechapel - Procurement Proposal
and Programme****All Wards****5 - 38****5.2 Recommendation to sell 296 Bethnal Green Road****Weavers****39 - 54****6. SCRUTINY SPOTLIGHT**

Nil Items

**7. UNRESTRICTED REPORTS FOR
CONSIDERATION****7.1 Covert Investigation under the Regulation of
Investigatory Powers Act 2000****All Wards****7.2 Scrutiny Review Report: Effect of Literacy and
Numeracy Levels on outcomes for children and their
families****All Wards****55 - 88****7.3 Scrutiny Review Report: Drugs Enforcement****All Wards****89 - 110****7.4 Annual Scrutiny Report 14-15****All Wards**

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(S)**

12. EXEMPT/ CONFIDENTIAL MINUTES

Nil Items

13. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet 8th April, 2015 in respect of exempt/ confidential reports on the agenda were

'called in'.

**14. 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).

**15. 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

Tuesday, 23 June 2015 at 7.15 p.m. to be held in Room C1, 1st Floor, Town Hall,
Mulberry Place, 5 Clove Crescent, London, E14 2BG

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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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Agenda Item 5.1

Committee: Overview & Scrutiny	Date: 12 th May, 2015	Classification: Unrestricted	Report No. 5.1
Report of: Service Head, Democratic Services Originating Officer(s): David Knight, Committee Services Officer		Title: New Civic Centre Whitechapel – procurement proposal and programme Wards: All	

1. SUMMARY

- 1.1 The attached report “New Civic Centre Whitechapel – procurement proposal and programme” was considered by the Mayor in Cabinet on 8 April, 2015 and has been “Called In” with regard to the packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings by Councillors Rachel Blake; Rachael Saunders; Amina Ali; Shiria Khatun and Councillor Clare Harrisson. 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 considers
- A. The contents of the attached report, review the Mayor in Cabinet’s decision (provisional, subject to Call In) arising; and
 - B. Decide whether to accept the decision or to refer the matter back to the Cabinet with proposals and reasons.

3. BACKGROUND

- 3.1 The request (received 17 April, 2015) to “call-in” the Mayor in Cabinet’s decision published on 10 April, 2015 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 1, considered the procurement proposal and programme in relation to the New Civic Centre at Whitechapel . However, the Call-In request was specifically about the decision to agree Option 2 (as set out in paragraph 2.3 of the Cabinet report) – i.e. a packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings. However for ease, all the Decisions agreed by the Mayor in Cabinet in relation to the report are listed below:-

DECISION

The report contained recommendations that related to disposals and to entering into contracts; provided an update on the status of the acquisition of the site for the new Civic Centre and presented the business case as requested for the new Civic Centre. The recommendations were as follows:

1. To agree option 2 as set out in paragraph 2.3 of the report, namely a packaged development and disposals procured via OJEU.
2. To adopt a capital estimate of £2.5 million to undertake investigations and complete the design to RIBA stage 2 and procure a delivery partner based on the chosen model of delivery;
3. To authorise the procurement of the required professional and technical services to undertake the work to RIBA stage 2 utilising, if available, suitable procurement frameworks available to the public sector;
4. To agree disposal of sites identified in paragraph 3.11 of this report in accordance with the Council's disposal procedure and with the requirements of section 123 of the Local Government Act 1972;
5. To note the requirement to obtain the prior approval of the Commissioners appointed by the Secretary of State prior to disposal of the sites identified in paragraph 3.11.
6. To authorise the Corporate Director, Development and Renewal, following consultation with the Service Head – Legal Services, to agree and enter into the terms and conditions of any agreements required to implement recommendations 1, 2, 3 and 4 in order to progress the civic centre project.
7. To authorise the Service Head – Legal Services to execute all documents necessary to give effect to these recommendations.

4.2 Reasons for Decisions

4.2.1 The appendix to this report sets out the full reasons for the proposals.

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 above gives the following reason for the Call-in:

5.1.1 We hereby call-in the Mayor's decision in Cabinet (Wednesday 8th April) with regard to the decision to agree Option 2 (as set out in paragraph 2.3 of the Cabinet report) – i.e. a packaged development and disposals procured via OJEU – raises serious concerns, particularly with regard to cost and timings.

5.1.2 The overall cost of the project raises concerns which merit full review and thorough scrutiny. The deliverability of this project is also under question, as the Mulberry Place lease ends in 2020, meaning staff have to decant by September 2019. This will leave no margin of error and require the project to be delivered precisely on schedule. There is also no clear detail on where council staff will be based in the interim period.

5.1.3 The change to the procurement route for the new Civic Centre was announced last-minute, at the Cabinet meeting itself. This decision was not fully explained and members were not given enough time to adequately consider the implications or address the downsides identified by officers.

5.1.4 The uncertainty over the loss of One Stop Shop and Idea Stores provision is of further concern. The list of disposal sites identified in the report, including the sale of Gladstone Place (the Bow ideas store) and the loss of Southern Grove as a Community Land Trust will have a negative effect on the borough and therefore merit reconsideration.

5.1.5 Members of the council have also expressed concerns over the sequence of events leading to this decision, whereby the Royal London Hospital building was acquired first – and the service delivery model considered afterwards.

5.1.6 The Civic Centre Whitechapel project also raises questions over the redevelopment of Roman Road.

5.2 Alternative action proposed:

5.2.1 That the Executive:

- 1) Fully outline and explain the proposals - and the options that were rejected – to ensure clarity;
- 2) Fully reconsiders all options for provision of a Town Hall; and
- 3) Pursue purposeful engagement on the options with all members of the Council.

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 4th 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 2.1 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 – New Civic Centre Whitechapel – procurement proposal and programme


**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

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Cabinet 8 April 2015	 TOWER HAMLETS
Report of: Corporate Director, Development and Renewal.	Classification: Unrestricted
New Civic Centre Whitechapel – procurement proposal and programme	

Lead Member	Councillor Alibor Choudhury, Cabinet Member for Resources
Originating Officer(s)	Ann Sutcliffe, Service Head, Corporate Property & Capital Delivery
Wards affected	All wards
Community Plan Theme	One Tower Hamlets
Key Decision?	Yes

Executive Summary

This report contains recommendations that to relate to disposals and to entering into contracts. To the extent required by the directions, these will require input and sign off by the Commissioners. To this end we confirm that the recommendations and viable alternatives listed in section 2 of this report are compliant with the council's agreed policies and procedures and European procurement regulations.

In line with direction A7 it is confirmed that statutory officers have sought third party advice on the conformity of the proposed procurement routes with Council procedures and procurement regulations and are satisfied.

Further to Cabinet's decision in February 2014 which resolved to acquire the former hospital site on Whitechapel High Street for the purposes of delivering a new Civic Centre, this report brings forward the delivery and procurement proposals for the new Civic Centre Whitechapel (CCW).

This report also updates Cabinet on the status of the acquisition of the site and presents the business case as requested for the new CCW.

More specifically, as requested by Cabinet this report sets out the following parameters and seeks approval from Cabinet prior to proceeding with capital works.

- Confirmation of preferred procurement route.
- Resolution of the negotiations for the purchase of the Whitechapel site from Bart's Health NHS Trust.
- Financial analysis.
- Risk allocation and accounting treatment.
- Contract mechanisms and project delivery.
- Initial technical and design diligence.

- Stakeholder consultation.

Recommendations:

The Mayor in Cabinet is recommended:

1. To agree the following combination of disposals, funding, design procurement, and delivery model for the CCW:
 - a packaged development scheme utilising developer's cashflow and risk management;
 - use of prudential borrowing at practical completion of the scheme to fund the gap;
 - tendering of the development scheme via a suitable and procurement-compliant framework;
 - the tendering to take place after having developed the design and briefing through to stage 2 of the Royal Institute of British Architects (RIBA) plan of works for building projects (RIBA stage 2), enabling the developer to sufficiently bring forward innovative effective design proposals.
2. If the above recommendation is not adopted to identify the preferred procurement route from the alternative options set out in section 2 of this report;
3. To adopt a capital estimate of £2.5 million to undertake investigations and complete the design to RIBA stage 2 and procure a delivery partner based on the chosen model of delivery;
4. To authorise the procurement of the required professional and technical services to undertake the work to RIBA stage 2 utilising, if available, suitable procurement frameworks available to the public sector;
5. To agree disposal of sites identified in paragraph 3.11 of this report in accordance with the Council's disposal procedure and with the requirements of section 123 of the Local Government Act 1972;
6. To note the requirement to obtain the prior approval of the Commissioners appointed by the Secretary of State prior to disposal of the sites identified in paragraph 3.11.
7. To authorise the Corporate Director, Development and Renewal, following consultation with the Service Head – Legal Services, to agree and enter into the terms and conditions of any agreements required to implement recommendation 1 (or recommendation 2 if so required) and recommendations 3, 4 and 5 in order to progress the civic centre project.
8. To authorise the Service Head – Legal Services to executive all documents necessary to give effect to these recommendations.

1. REASONS FOR THE DECISIONS

- 1.1 Further to the February 2014 Cabinet decision, the acquisition of the former hospital site on Whitechapel High Street has been concluded.
- 1.2 In line with the Executive Mayor and Cabinet instructions at that meeting, officers together with the consultants GVA have completed the further business case review.
- 1.3 The business case has been reviewed and assessed by officers to inform the recommendations within this report.
- 1.4 The lease on Mulberry Place will expire in June 2020.
- 1.5 The landlord of the current offices at Mulberry Place, a private investor, is currently working on a redevelopment of the East India Dock complex into a residential scheme in the near future and public consultation and formal pre application planning consultation is already taking place. Given this likely change of use, it is probable that the council, regardless of whether there was a desire to remain post June 2020, would not be granted a renewal of the lease. It is therefore essential to identify a viable exit route from Mulberry Place to ensure that staff are de-canted by no later than September 2019 to a new facility.
- 1.6 The council must commit to a new civic centre, or face occupying a number of disparate and poorly sited buildings that will lead to inefficiencies and increased costs of operation.
- 1.7 The justification for the further consolidation of council administrative buildings into a purpose built mixed use civic hub is predicated on the disposal of some if not all current administrative sites and additional surplus sites for the capital receipts to cross fund the new development. All these disposals would then deliver significant new housing to the borough.
- 1.8 Officers together with their advisor GVA have undertaken soft market testing with three of the London Development Panel (LDP) members who have all validated the proposed approach as desirable to the market and for which they would all have an appetite to bid for even in the current overheated market.

2. ALTERNATIVE OPTIONS

- 2.1 A number of options have previously been considered and are further modelled and considered in the business case. Whilst officers have made a recommendation in part 1 of this report there are a number of options that can equally be adopted and comply both with Council procedures and procurement rules.
- 2.2 The following table sets out the alternatives and shows the risks and advantages of each. It should be noted however that these risks are by

definition somewhat empirical cannot be quantified at the moment. By way of example the decision to dispose of properties separately in the current market would give rise to a perceived benefit of increased capital receipts. This is based on a currently buoyant market, however over the 5-6 year window of the project it is not known how the market will perform so that trying now to forecast the benefit in sales receipts would be disingenuous.

2.3 It must be noted that each of the alternatives are currently capable of delivering the new CCW within the required timeframe provided that decisions are made in a timely manner.

Alternative Option	Pros	Cons
<p>Option 1 (recommended above)</p> <p>Packaged development and disposals delivery using a suitable and procurement compliant developer framework</p>	<p>Developer carries the debt to building occupation of the CCW.</p> <p>Ensures that the majority of relevant developers of significant size are approached.</p> <p>Buys early cost certainty including receipts.</p> <p>Developer carries the market risk of the disposals. Developers are best placed to measure and price market risks in general.</p> <p>Reduces total debt to the Council.</p> <p>Time efficient which reduces programme risk to the Council and potential additional cost of interim solution.</p> <p>Earlier procurement will reduce exposure to an overheated and volatile market.</p> <p>Ensures a high likelihood of housing delivery.</p> <p>Soft market testing has identified an appetite amongst developers on the London Developer Panel though this is not defined as the chosen framework..</p>	<p>This risk being carried by the developer will potentially lower land receipts to the Council</p> <p>Developers will price the risk that they carry.</p> <p>Limits the field to the number of developer consortia on the relevant framework.</p>
<p>Option 2 (as 1 but not utilizing a framework)</p> <p>Packaged development and disposals procured via OJEU.</p>	<p>Potentially open up wider competition for the procurement.</p> <p>Developer carries the debt to building occupation of the CCW.</p> <p>Buys earlier cost certainty including receipts than separate disposals but not as early as the preferred option above.</p> <p>Developer carries the market risk of the disposals.</p> <p>Developers are best placed to measure and price market risks in general.</p> <p>Reduces total debt to the Council.</p> <p>Ensures a high likelihood of housing</p>	<p>Longer procurement will expose the Council to an overheated and volatile market risking higher costs.</p> <p>Time hungry which increases programme risk to the Council and potential additional cost of an interim solution.</p>

	delivery.	
<p>Option 3</p> <p>Standalone delivery of the CCW via a developer led solution with disposals marketed separately.</p>	<p>Developer carries the debt to occupation of the CCW.</p> <p>Developer MAY carry debt for longer but this would prove expensive.</p> <p>Separate disposals will potentially deliver higher values though this will depend on the market conditions at the time.</p> <p>Opens procurement up to a potentially different set of developers with different funding models.</p>	<p>Likely to restrict/limit the field of developers willing to bid as no land deal involved for them.</p> <p>Will require OJEU procurement which place programme risks on delivery and potential for a costly interim solution.</p> <p>Increased cost as the developer will only make their profit on the construction cost and a longer term debt repayment without cross subsidy from land receipts.</p> <p>The Council will carry market risk on disposals.</p> <p>The Council will carry programme risk on disposals.</p> <p>The number of sites coming to the market may limit competition for each one reducing revenues.</p>
<p>Option 4</p> <p>Standalone delivery of the CCW via a Design and Build led solution with disposals marketed separately</p>	<p>Likely to appeal to a wider range of bidders as it doesn't limit the field to those with an interest in housing delivery</p> <p>Simplifies the tendering process to a straight forward B&B contractor without developer/funding complexities significantly reducing the programme.</p> <p>Simpler tender evaluation to a straightforward D&B contract, i.e. no developer/funding complexities.</p> <p>Better control over procurement delivery timeline/cost.</p> <p>Separate disposals will potentially deliver higher values (depend on the market conditions at the time).</p> <p>Could be procured via OJEU or construction framework (e.g. Southern Construction Framework).</p>	<p>If OJEU procurement - risks programme delivery and may result in a costly interim solution being put in place.</p> <p>Likely to restrict the field of developers willing to bid as no development returns on offer.</p> <p>The Council will carry market risk on disposals.</p> <p>The Council will carry programme risk on disposals.</p> <p>The number of sites coming to the market may limit competition for each one reducing revenues.</p>

2.4 Within these alternatives the following should be noted:

2.5 Option 3 - To sell the disposal sites separately from the delivery of the new CCW but to seek via the market a development partner to deliver the CCW and fund it, would Require the Council to enter into some form of a long term payback to a private developer once the CCW is complete.

2.6 This alternative:

- May prevent the use of a framework and therefore require the contract to be tendered via OJEU which will present a programme risk for the

delivery of the new CCW.

- Cost significantly more to fund as the private developer is making profit purely on the construction and cashflowing the scheme with no other source of profit from the disposal sites.

2.7 Option 4 - Procuring the CCW separately from the site disposals and a building contract and ring fencing the capital receipts for cross subsidy;

- May prevent the use of a framework and therefore may require the contract to be tendered via OJEU which will present a programme risk for the delivery of CCW. There are however other alternative frameworks that may be considered.
- In tendering the CCW as a design and build (or any other form of building contract) would require significantly more design to be concluded prior to tendering.
- Require the disposal sites to be sold either as a package or individually in the market and is suggested that this would be open market tendering.
- Require the Council to account for the full amount of the debt at the outset of the development.

2.8 In addition to the procurement alternatives above the recommended route utilises design through to RIBA stage 2 Concept Design. This refers to the RIBA-specified plan of work, which organises the process of briefing, designing, constructing, maintaining, operating and using building projects into key stages. Stage 2 is concept design which includes structural design, building services systems, outline specifications and preliminary cost information along with relevant project strategies in accordance with the design programme. It involves agreeing alterations to brief and issuing of a final project brief. Officers believe that this is the minimum level of design that should be undertaken. As discussed later in this report however there are two alternative approaches to the level of design that could be undertaken.

2.9 One option is tendering the scheme either in a packaged or non-packaged form but with no further design and due diligence undertaken by the council would place great risk and uncertainty on the Council. In soft market testing all the developers approached felt this would put a great deal of uncertainty on the developers that would be reflected in their pricing and programming assumptions.

2.10 This option:

- May prevent the use of a framework and therefore require the contract to be tendered via the OJEU which will present a programme risk for the delivery of the new CCW.
- Poses a very real difficulty in identifying the best value bidder without design parameters to measure.

2.11 An alternative option would be fully designing the scheme through to and

obtain a planning consent and procuring the scheme in any of the above alternatives should be considered. This option would provide increased delivery and cost certainty to the Council and could be done in conjunction with any of the above alternatives. It would however because of the programme constraints be ideally utilized with a packaged procurement through a suitable and procurement compliant framework as identified in the recommended alternative above.

- 2.12 It should be noted that while all the options are currently deliverable the programmes for OJEU procurement and packaged developer delivery are significantly tighter and therefore as noted above pose a programme risk beyond that of a simpler design and build contract.

3. DETAILS OF REPORT

Background

- 3.1 The council has previously consolidated its civic hub and administrative functions at East India Dock into one site, Mulberry Place, surrendering Anchorage House to realise significant savings of circa £7m per annum.
- 3.2 East India Dock is still widely considered to be a poor location to best serve the needs of the borough's residents. East India Dock Estate, whilst reasonably served by public transport is located in the extreme east of the borough in close proximity to Canary Wharf and has perceived problems of customer access and approachability.
- 3.3 The Mulberry Place lease expires in 2020. The building costs the Council approximately £5 million per annum of which £2.8 million is rent. The landlord, a private investor, has announced plans to redevelop the entire East India Dock into a residential scheme in the near future and public consultation is already taking place. Given this change of use, it would not be possible without a significant increase in rental for the Council could remain here post June 2020. In the business case we have modelled a simple market uplift in rent for a new lease but in reality due to the significant uplift in value delivered from a residential redevelopment the cost of a new or even interim extension to the lease is likely to be considerably higher.
- 3.4 It is therefore essential to identify a viable exit route from Mulberry Place to ensure that staff are de-canted by no later than September 2019 to a new facility.
- 3.5 Cabinet have previously approved the principle of a new Civic Centre (February 2013) and additionally the acquisition of the vacant Whitechapel building (February 2014) for this purpose.
- 3.6 Additionally in the long term the new CCW will contribute to the year on year revenue savings required of the Council whilst enabling improvements to service delivery to residents. It should also be noted that, unlike the current

lease arrangement of the Town Hall, in the longer term the CCW will have a long term asset value to the Council

- 3.7 Each of the options is associated with the disposal of a number of surplus assets and in the case of the move to Whitechapel the number of sites available is maximised. Regardless of the procurement option chosen (discussed later in this report) however it is recommended that the available sites are disposed of in order to deliver housing to the borough and to cross subsidise the civic centre.
- 3.8 In each case the assets will be required to deliver housing and officers with the design team will work with Planners to ensure that the agreed planning brief can be a required delivery under a disposal contract and a pre-requisite for a successful bid.
- 3.9 The project's objectives can be summarised as:
- To develop a sustainable, multipurpose, civic centre in the geographic heart of the Borough and with excellent transport connections,
 - As required by the Asset Strategy, to rationalise the Council's operations to provide more efficient internal communications and cross Council working and reduce the Council's revenue cost of holding empty redundant buildings,
 - To maximise opportunities to make financial savings from efficient use of accommodation,
 - To deliver year on year operational savings to the Council and deliver significant new housing to the borough.

The Options

- 3.10 The previous report to Cabinet (February 2014) was based on the outline business case provided at the time and this identified three alternative approaches to providing the new space having discounted finding alternative rented accommodation or remaining in Mulberry Place. These options are summarised below.
- 3.11 **Remain in Mulberry Place** - This option was modelled by the team to ensure our baseline assessments are robust and to monitor efficiency savings being generated. As set out above however, the landlord is currently seeking to redevelop the site as a residential scheme which will significantly increase the value of the site to him. As previously reported it is highly unlikely that a renewal of the lease will be granted without a significant increase in the rent. Additionally the current building would require significant investment for a long-term lease period as the building and its services are already beyond their useful design life. Cabinet have previously in line with recommendations ruled out this option.
- 3.12 **Develop existing Council sites** – The team reviewed all current assets owned by the Council to identify a location to deliver a new office. The current Commercial Road depot site, formerly the Renault garage is the only alternative site available to the Council of a sufficient size to deliver a purpose built consolidated civic hub. This option has been modelled. The site may be

able to accommodate a mixed use development including housing with the civic centre. However, in reality, the nature of the surrounding area means that the mass of development that could be delivered on the site is likely to be restricted, in particular by height and (in the case of the residential aspects) lack of amenity space. The scheme would, in any event, be a dense solution and it should be noted that it would result in a significant increase in users and office accommodation in an area which is primarily residential and not deemed a 'town centre'. This poses a significant risk to securing planning consent. This site will be utilised on the preferred option as a disposal site for residential development.

- 3.13 **Refurbish and or redevelop a number of existing assets** – Having reviewed the current asset the Council does not own any other buildings that are of sufficient size to accommodate the forecast service needs. At best the Council would need to decant into at least 5 or possibly six buildings. All these buildings would need substantial refurbishment works and would leave the Council dispersed around the Borough and operating in an inefficient and fragmented way which will detrimentally affect the performance of services and efficiency and flexibility to manage the size of the organisation going forward. Two of the office buildings, namely Cheviot House and the LEB building cannot be refurbished to modern office requirements as this would result in the floor to ceiling height being too low making them no longer suitable for office occupation and this option has to be discounted. Additionally this option will deliver no additional new homes.

Disposal funded new Civic Centre – This, the preferred option is to develop a new purpose built civic centre on the acquired Whitechapel site. Any new development will commit and require significant funds. In order to mitigate the effect of borrowing on the council's revenue commitments, there are a number of assets that are identified as sites for disposal for residential purposes in the asset strategy or which will become surplus to requirements as a result of the move into the new CCW. These are available to offset the medium term impact associated with the site procurement and subsequent construction. Officers consider it necessary to fund capital development from these receipts. However this option is better value for money than remaining in the current or other refurbished council offices and will drive significant year on year operational savings once occupied. Additionally unlike any leased alternatives such as the Mulberry Place the Council will benefit from the Asset at the end of the modelled period.

The disposal sites are the following sites held in the general fund:

- Jack Dash House
- Albert Jacobs House
- Commercial Road (former Renault garage)
- Gladstone Place
- LEB Building
- Southern Grove depot

Disposal funded new Civic Centre at Whitechapel

- 3.14 Cabinet have previously approved the principle of a new Civic Centre and additionally the acquisition of the vacant Whitechapel building for this purpose.
- 3.15 It is evident that the construction of a new civic hub in Whitechapel has a significant benefit to the borough. A new civic hub at Whitechapel enhances the project objectives across most of the Council's chosen indicators. The main points being:
- Making the Tower Hamlets Community Plan objective of a "a great place to live" a reality by providing impetus to the regeneration of Whitechapel and its surrounding areas and locating the council in a more accessible town centre.
 - Raising performance and maximising efficiencies through the optimisation of council office accommodation and compliance with latest building regulations through new build facilities.
 - Longer term revenue savings through occupation of council owned accommodation, whilst noting the short term cost associated with procurement and construction of the site.
- 3.16 The use of this site helps the council to achieve the objectives set out in the adopted Whitechapel Vision and will provide a significant boost to the Whitechapel redevelopment plans, whilst placing the new civic hub at the heart of the borough and protecting the retention of a locally listed building by giving it a civic presence.

Appraising the Options

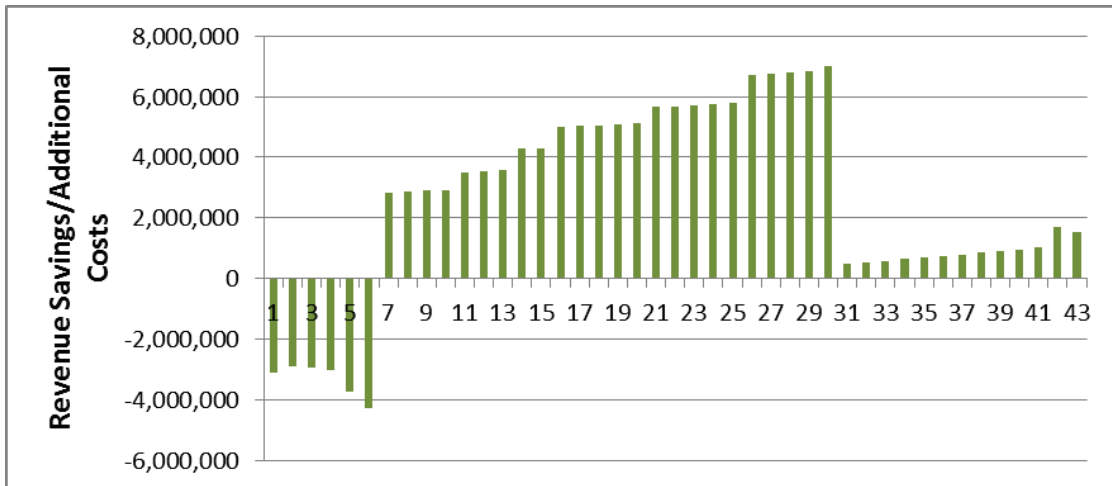
- 3.17 An underlying requirement of the relocation of the Civic centre is to assist the Council in achieving annual revenue savings targets for the medium term, including a reduction in the number of council offices. For the project to be deemed viable and affordable it has to achieve a reduction in the combined costs of providing the Civic centre with the release the value of the surplus sites which are all suitable for housing development. The financial analysis undertaken has compared the relative costs and benefits of various options.
- 3.18 The financial analysis uses Net Present Values which look at cash flows over a 40 year period for the Civic centre. We have made an assumption that the Council, where capital expenditure is incurred, will have to borrow all the sums required to facilitate this project and have allowed for the financing costs within the model. The financing costs are built up from interest charges and the minimum revenue requirement, based on the asset life of the capital expenditure.
- 3.19 This assumption requires that the Council prudently assess any additional borrowing and that sufficient headroom up to the Capital Financing Requirement (CFR) is available. In addition, any capital receipts derived from assets directly linked to this project have not been ring-fenced; with the

receipt being applied as per the strategic priorities of the Council. However, a corresponding revenue saving has been applied to the project to reflect this sales income and the benefits associated with proceeding with this project. Officers do however consider it prudent to ring fence the capital receipts to finance the project.

3.20 We have tested 7 potential civic centre options in the business case. Having previously identified the practical alternatives and the base case of staying in mulberry the results of these NPV's are shown in the table below. In each case the available disposal receipt and housing delivery from surplus stock has been modelled.

Civic centre Option	Description of Option	NPV	Number of Homes
Civic centre Option 1	Remain in 4 existing office buildings	£160.1m	170
Civic centre Option 3	New Civic centre at Commercial Road and remain in Gladstone Place and Albert Jacobs	£113.9m	481
Civic centre Option 5	Whitechapel only	£128.1m	778

3.21 There are additional revenue costs in the first 6 years which are attributed to the costs of constructing/leasing other buildings simultaneously with finishing the lease on Mulberry. These costs are unavoidable in modelling the schemes but in reality can be deferred to avoid there impact in this period. However, these upfront costs then provide significant revenue savings for the remainder of the 40 year period following the expiry of the Mulberry Lease. The annual revenue impact for Option 5 can be more definitively seen in the following chart:



- 3.22 In summary, the “Do Nothing” of Civic centre Option 1 has a total NPV of £160m and only produces 170 housing units, compared to the cheapest new build Civic centre Option 3 which has an NPV of £113.9m and 481 residential units. Doing nothing is therefore not an option.
- 3.23 Based on the financial analysis it is not financially viable to remain at Mulberry Place. The cheapest financial option of re-occupying 3 vacant office buildings has to be discounted as 2 of the buildings cannot be refurbished to meet modern office requirements.
- 3.24 Whilst the Commercial Road option is financially cheaper than Whitechapel, it won't deliver as many housing units and it won't enable the Council to have a key role in bringing forward its Whitechapel Vision, which will have a significant beneficial impact upon the local area.

Delivery and Procurement

- 3.25 The project cost for the new CCW is currently estimated at around £85 million depending on the extent of the development needed. This would be a significant debt burden for the council to carry without the capital receipts.
- 3.26 Even with the proposed capital receipts from disposals, there will be a significant shortfall in funding – the gap, which will need to be funded by the Council through debt. This debt has been modelled in the business case scenarios.
- 3.27 Essentially there are two distinct delivery models available and they are:
 - A** to borrow the full amount of the cost, build out the new facility, sell the surplus sites and use the capital receipts to pay off the majority of the debt (financial model Option 5) or,
 - B** to enter into a packaged disposal and delivery model with a private developer (financial model option 8).

- 3.28 Officers have reviewed the delivery models and procurement within these to allow an informed decision to be made on the best route forward. The best route will depend on the:
- the very tight programme for delivery, and;
 - the risk appetite of the council.

Separate disposal

- 3.29 The disposal sites are a mixture of those currently available and those that will become so as a result of the rationalisation of the civic functions into the new CCW. The sites are all discrete sites capable of separate disposal and not links by proximity to each other.
- 3.30 The council could simply set about disposing of their surplus stock now and programme this out over the course of the next few years. Sales receipts could then, once achieved, be set aside for the delivery of the scheme.
- 3.31 As buildings become available the council would seek to sell these on the open market and receive best consideration for them. It is likely that the future use of these sites would be restricted to housing (though not necessarily) with planning compliant tenure mix.
- 3.32 Clearly the cash flow of capital values and sales receipts is not ideal and the council would bear the sales risk and cashflow implications of delays in disposals and market volatility.
- 3.33 This route allows the council to retain greatest control over outcomes but bear significant development cost and cashflow risk.
- 3.34 Disposals would be undertaken in accordance with the Council's disposal procedure. It is likely that this would be on an open market tendered basis as is normal for such disposals and buildings. The sites would be brought to the market as and when they become available and in line with any protocol agreed with the Commissioners. As required by the Secretary of State's directions given on 17 December 2014, the prior consent of the Commissioners would be required to each disposal.
- 3.35 If this option were followed then a developer-funded model will not be viable as there will be no development profit or upside for the developer other than on costs to the cost of the building. This would be an inefficient way of raising capital leaving only a traditional contract form such as design and build contract procured via OJEU open market tendering.

Packaged delivery and disposals

- 3.36 As an alternative approach the council could package all or some of the disposal sites together with the new civic centre project and tender this to the

market either using the OJEU process or a framework, if required due to time critical needs.

- 3.37 The council would be seeking a development partner in this instance that would use their knowledge of the market and access to funding, bear development risk, and cashflow the delivery of the project.
- 3.38 The development partner would need to be a significant entity or consortium with a substantial turnover in the order of three times the project value, including the value of the disposal sites.
- 3.39 The partner would receive the surplus sites to develop at nil value though required to deliver within whatever constraints (such as planning compliant housing) the council determined were right. In return the partner would develop the new civic centre in line with the council's brief and needs.
- 3.40 On completion of the civic centre this would be handed over to the council in exchange for the gap or shortfall in funding in a form commensurate with the chosen funding proposal. This could be a one off payment raised from debt or by way of staged payments over time, though this will attract additional cost to the Council.
- 3.41 The benefits of this structure are that the development partner will bear both the sales value risk and cashflow risk for the development. This would also allow the council to defer debt until the gap funding was needed at handover of the new building.
- 3.42 Significantly however the council will have less control over the outcomes and this is likely to cost more due to the offload of risk to the developer. Though when cashflowed over the life of the modelling period there is no significant cost difference.
- 3.43 The development partner model can be procured either by OJEU or more practically using a framework, which would significantly reduce the programme implications of procurement. There are a small number of frameworks that are available to which the Council has access. Because of programme constraints officers believe that it is advantageous to use a suitable and procurement compliant framework, which provides access to a very good selection of developers and minimises programme risk and procurement cost to the council.
- 3.44 Consideration has been given to use of the GLA's London Developer Panel, which is set up for residential led schemes. The framework was procured through OJEU by the GLA in order to speed up the process of development and was intentionally set up to give access to local authorities. The Panel comprises some 20 consortia with whom the project would be tendered and all of who have demonstrated their ability, track record and experience. However, the scheme is for residential-led schemes and it is clear that any mixed use elements must be properly ancillary to and in support of housing. This will likely present a challenge to a scheme which includes the CCW.

- 3.45 The council has undertaken some soft market testing to ensure that there is an appetite in the market for such a developer led proposal.
- 3.46 Additionally we have modelled the NPV of procuring the new building on this basis (financial model Option 8) which compares favourably with that of separate disposals and borrowing (option 7). The NPV's of the options are £127M and £128M respectively. The key financial advantage of the packaged model however is that there is potentially no negative financial impact of borrowing money in the short term whilst paying the outgoing costs on Mulberry Place as this debt will be carried by the developer partner

Design

- 3.47 If the council wish to proceed with a design and build contract to deliver the new civic centre rather than a packaged up development then the council should develop the scheme through to, or near to Planning. This will be needed to ensure cost certainty in the tendering process as the greater the design certainty the better the market will price the work. Additionally there will be less opportunity for cost increases during the delivery period from design evolution and change.
- 3.48 If however the decision is made to progress the new civic centre with developer led model, packaging up the major housing sites, the council must decide on the extent to which they design the new buildings or allow the developers freedom to design their proposals. In each cost the total cost of design would be broadly the same.
- 3.49 To date the council has led a team working at RIBA stages 0-1 covering strategic definition and some briefing. This is not enough at the moment to take the project, which is complex in terms of scale, deliverability and complexity through to procurement.
- 3.50 Essentially whatever route is adopted, the full design costs for the civic centre would be in the order of 12% of the build cost or around £12 million. This is approximately the fee cost regardless who and how the project is taken forward.
- 3.51 Fees are normally split into design stages as determined by the RIBA plan of work. At whatever stage the design is passed from client to contractor or developer there is normally a level of redesign. In reality the duplication of design is limited though this will depend on the level of control that the client wishes to have. The greater the control the less duplication there is; more importantly, for the council, it offers greater control over cost and programme certainty.
- 3.52 In broad terms the fee costs over the life of a project with fees of £12 million would be:

Stage	Description	Cost	Proportion of the total fee	Aggregate fee
1	Preparation of Brief	£1.2M	10%	£1.2M
2	Concept Design	£1.8M	15%	£3.0M

3	Developed Design	£1.2M	10%	£4.2M
4 onwards	Technical Design	£7.8M	65%	£12.0M

3.53 With this in mind there are three options available to the council:

1. To design through to RIBA stage 3 and obtain planning consent
2. Complete a brief based on the work to date and allow the developers to bring forward their designs and to obtain planning consent around the completion of Stage 1.
3. Follow a halfway house in which the council undertake sufficient investigations and design to ensure that the new building will deliver but allow the developers to bring forward their own solutions to this – RIBA Stage 2.

Design to planning RIBA Stage 3

3.54 Essentially this is the model adopted for the majority of council projects in recent years including Blackwall Reach and the Ocean Estate. The model drives certainty of deliverability and cost as delivery partners will then know what they are required to deliver and are able to price this upfront in the knowledge that it can be delivered.

3.55 This will also give the council control over the end product and therefore, up to contract the cost of the scheme. This will however place a cost burden on the council to cashflow the process through to contract. Flexibility is also lost in terms of allowing the market to find cost effective solutions to the delivery of the building. These fees will however only be abortive or wasted if the scheme either does not go ahead or the design is significantly changed post contract. Due to a significant level of developer design still being required the overall cost to the council would be the highest and risk of deliverability the least.

Minimal further design RIBA Stage 1

3.56 This is not a model that the council has used before and essentially requires the bidders to undertake a substantial amount of work at bid stage, which for the unsuccessful bidders will be abortive. This may mean that the council has to underwrite some of these fees in order to ensure that there is sufficient appetite in the market to bid. The underwritten cost would be lost. The successful bidder would in any event seek to recover their bid costs in the overall project thus not saving the council money but simply cash flowing the design stage.

3.57 Significantly the council will lose control and choice, unable to necessarily take the best design options due to cost and potentially being forced to adopt “clever” developer design that ticks the scoring boxes and is cost effective but does not deliver the innovation that is sought from the market.

3.58 There is no certainty that the successful proposals will secure planning consent or be deliverable thus placing the delivery of the new building on programme at risk.

- 3.59 Despite the reduced level of investigation and design there would be significant pre-contract costs for the council and the saved costs being investigation and design would simply be paid for by the council post contract.
- 3.60 Of particular note and as a lesson learnt on a recent major capital project, where a limited amount of design development is undertaken funders will often seek to cover off their risk by prolonged post contract negotiations which delay the project, introduce increased risk of challenge to the final deal and seek to push risk back to the Council

Half-way house RIBA Stage 2

- 3.61 In essence this is the model adopted for the Poplar Baths and Dame Colet development. The council would undertake a significant amount of engineering investigation and design together with pre-planning work with English Heritage and LBTH Planning. The bidder would then bid against a known baseline that they could be measured against and the council could have an increased level of certainty over deliverability and cost.
- 3.62 This model also allows the developers to be innovative in response to the brief, enabling them to push the boundaries of design and space utilisation as well as offer additionally to the scheme such as alternative uses.
- 3.63 There is a cost impact pre-contract for the council but this would be less than the full design option and significantly the works would not be abortive as they would all be needed by the bidders but paid for only once.

Cost control and Risk comparison

- 3.64 Cost control and risk vary through the different models as the council retains or abdicates control. The following table sets out broadly the cost risk matrix of the three options.

Delivery Model	Upfront cost to LBTH	Overall cost	Control	Risk
Full LBTH design	High	High	High	Low
Min LBTH design	Low	High	Low	High
Halfway House	Medium	Most cost effective	Medium	Low

Governance

- 3.65 As previously discussed it is proposed that the council adopts the Government's Managing Successful Programmes governance model for the delivery of both the new civic centre and the council's business change programme. The proposed structure fits well with the current structure of the council's governance and will give both full and even input into the programme and organisational change.
- 3.66 A sponsoring group will comprise senior officers (CMT) and be chaired by the Mayor. A separate monitoring/overview group should also be set up, potentially including or consisting of members of the Overview and Scrutiny

Committee, which would meet twice yearly. This will allow direct and open oversight into the project as well as cross-party and cross-council support and input.

- 3.67 Within the group will be the Senior Responsible Officer (SRO) who it is proposed would be a corporate director (or specialist new post) of the council in order to ensure very senior representation and a high level leadership and focus across all aspects of the project delivery.
- 3.68 Because of the seniority of the SRO it is proposed that they are supported by a programme director (PD) in the form of the Service Head of Corporate Property and Capital Delivery, for the delivery of the new facility. The PD will not sit on the sponsoring group though may be called upon to report to and assist the SRO in their duties. The main responsibility of the PD will be the day-to-day leadership of the programme and driving it forward.
- 3.69 In order to address the programme imperatives it is suggested that a separate SRO and programme/project board be set for the building project. This would still report into the sponsoring group and have close links with the council's business change programme but would allow the project to move forward at a different pace.
- 3.70 The SRO and PD will co-chair their programme boards and it is currently envisaged that the SRO would be Corporate Director, Development & Renewal, supported by Service Head, Corporate Property & Capital Delivery.
- 3.71 The programme manager will be a new post as will be the main building project manager.
- 3.72 The programme support office will vary in size over the course of the project and many of the positions could be filled with existing staff though they will need to move full time into the support office.

Programme

- 3.73 As previously noted the programme is tight and mitigation is in place as noted in section 8.
- 3.74 Whichever procurement route is adopted there a number of key milestones that must be met to drive the project forward and these are tabulated below.

Milestone	Completion
Cabinet Decision to proceed	April 2015
Prepare briefs for Consultant team procurement	April 2015
Procure Consultant team	July 2015
Design and procure due diligence and briefing	October 2015
Issue OJEU notice	October 2015
Procurement	12 Months
Contract award	October 2016

Planning period	April 2017
Construction	Three Years
Completion	May 2020

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report brings forward the delivery and procurement proposals for the new Civic Centre following the decision of the Mayor in Cabinet (5 February 2014) that confirmed that the former Royal London Hospital site in Whitechapel was the preferred option for the location of the new civic centre. The Council has subsequently completed the purchase of the site from the Bart's Health NHS Trust.
- 4.2 Following the acquisition this report now seeks approval to develop the scheme design to RIBA Stage 2 level, and to determine the preferred procurement method to be adopted for the construction of the new civic centre.
- 4.3 The council pays approximately £5 million per annum in lease and service charges for the Mulberry Place building and in the longer term officers consider that the lease is unlikely to be extended beyond its June 2020 expiry date. It is therefore necessary that alternative arrangements for a civic centre are put in place now in order to generate long-term savings. The report outlines the reasons why the lease is unlikely to be extended in paragraph 1.5.

Financial Modelling and Outline Business Case

- 4.4 As outlined in previous reports, the council appointed an external property management company advisor, GVA, to undertake financial modelling to inform an outline business case assessing various options for the relocation of the civic centre. The assessment compared the capital and running costs of each option together with a high level net present value calculation, calculated over a 40 year period.
- 4.5 The assessment was based on historic information held by the council in relation to annual running costs of its existing premises, with the major construction and capital costs of the proposed new buildings being assessed by GVA.
- 4.6 All options were assessed against a base position, i.e. that the council remains at Mulberry Place and is able to extend the lease beyond 2020. Although this option is now considered to no longer be feasible, it remains the basis against which alternatives have been assessed. The report provides background to the main options previously considered in relation to the siting of the proposed Civic Centre in Whitechapel in paragraphs 3.10 to 3.24.

- 4.7 Financial assessment of all the options proposed showed that significant savings are achievable compared to the baseline position, both on a Net Present Value as well as a total cashflow basis. However, as highlighted in previous reports, it must be stressed that the alternative options all involved significant capital expenditure over the years from 2016 to 2019.
- 4.8 With both options, over a 40 year period significant savings could be achieved compared to the existing arrangements. However, the relocation will take a number of years to complete, with savings only being realised from 2020 onwards. In the medium term revenue costs will increase while the rationalisation takes place.

Adoption of Capital Estimate for Design to RIBA Stage 2

- 4.9 As part of the budget process for 2014-15, funding of £12 million was set aside as a provision for the development of the new Civic Centre. The site was formally acquired in January 2015. After allowing for associated fees and taxes, an uncommitted sum of just in excess of £2,500,000 remains. This report seeks approval to utilise this sum to complete the design to RIBA Stage 2 with a view to procuring a delivery partner. A corresponding capital estimate of £2,500,000 is therefore sought which will be fully financed from the earmarked resources remaining.
- 4.10 On completion of the design to RIBA Stage 2, as outlined in paragraphs 3.60 to 3.62, the Council will be in a position of being able to invite bidders to bid against a known baseline against which they can be measured, meaning that the Council will have an increased level of certainty over deliverability and cost. There will however still be scope for the developers to be innovative in relation to design and use of space.
- 4.11 At that stage further reports to Council will be presented to seek approval for the proposed funding arrangements for the full project and the necessary capital estimates to be adopted with full budgetary provision identified within the Council's capital programme. These will be based on a full assessment of the financial implications and identification of resources available, and will necessitate an evaluation of the impact on the Council's borrowing requirement as well as the medium term revenue implications. The funding requirement will depend upon the disposal process adopted.

Procurement Method

- 4.12 The report sets out various procurement methods that could be utilised in relation to the construction of the Civic Centre. These are shown, together with the relative advantages and disadvantages of each option, in the table in Section 2.
- 4.13 The relocation of the civic centre will require major capital investment which would have to be financed from within the limited resources available to the capital programme. The report indicates that depending on the scale of the development, the estimated costs of the Civic centre construction are approximately £85 million (paragraph 3.25). A full assessment of the funding

sources will be undertaken once these costs are finalised, however it is assumed that there will ultimately be a requirement for significant borrowing to be undertaken with the consequential impact on revenue budgets of the debt charges. Modelling suggests that these on-going additional revenue costs will rise significantly until the expiry of the Mulberry Place lease, with the costs being incurred at a time when the Medium Term Financial Plan of the council is already demonstrating the need for significant annual budget reductions. Additional revenue savings would need to be identified in addition to the on-going savings targets that have been assumed within the MTFP, and in order to mitigate these costs it will be necessary to generate capital receipts from asset sales to 'cross subsidise' these costs.

- 4.14 The financial modelling that has been undertaken assumes that surplus council owned assets are disposed of to part fund the significant capital expenditure requirement. The realisation of capital receipts from the disposal of assets that are declared surplus to the council's operational requirements is essential if the relocation project is to be viable. Previous reports provided authorisation to proceed with the disposal of assets to finance the relocation, but the risk of not generating sufficient sale proceeds rest with the Council.
- 4.15 The council has a statutory duty to ensure that any decision is justified on a value for money basis, with the wider potential regeneration benefits being considered in addition to the business case. The 'Whitechapel Vision Economic and Employment Impacts Study' report previously considered by Cabinet set out the anticipated impact on the Whitechapel area of the proposals within the masterplan area. These are not easily financially quantifiable but should be considered in the context that relocation of the civic centre will support the regeneration of the area.
- 4.16 Any relocation to a new civic centre will necessitate consideration of various council working practices, including those relating to flexible working, as well as an assessment of the on-going IT requirements.
- 4.17 As stated above, it should be noted that at this stage sufficient funding has only been set aside for the site purchase and initial design work. Any decision in relation to construction and development will be subject to further Council decision based on a full assessment of the financial implications and the agreed procurement route.

5. LEGAL COMMENTS

- 5.1. The Council has an obligation under section 3 of the Local Government Act 1999 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). One way that the Council seeks to deliver this duty is by complying with its procurement procedures. The general principal is that the Council achieves best value by subjecting spend to competition and choosing the winning bidder by applying evaluation criteria showing the best and appropriate mix of price and quality.

- 5.2. The construction work is of a value in excess of the European threshold (currently approximately £4.3 million for works) as set down by the new Public Contracts Regulations 2015. Therefore, the competitive exercise must comply in all respects with the requirements of the Public Contracts Regulations and with European Law.
- 5.3. The report recommends an option involving procurement of a development scheme through the use of a suitable framework agreement. In order for the Council to be able to procure in reliance on a framework agreement with appropriate Developers, the framework itself must have been procured in compliance with the European law and additionally the following requirements must be satisfied:
- The Council is immediately identifiable in the relevant OJEU advert as a potential user of the framework;
 - The OJEU advert includes the types of works required by this development; and
 - The estimated value of the overall framework has sufficient capacity to include the full cost of the procured development.
- 5.4. The London Development Panel Framework has been considered, but this may well have to be rejected as the framework was set up for housing developments and the associated inclusion of commercial properties was intended to be in respect of commercial buildings that directly supported the housing that was developed or formed part of the infrastructure.
- 5.5. A number of the other options tabled in this report lead to a splitting down of the overall project or delivery in different forms. However, the value of the cost of the development of the Civic Centre alone is greater than the relevant European Threshold and therefore use of any framework for works that may or may not be developer led must also comply with the requirements outlined in paragraph 5.5
- 5.6. The report also proposes that consultants be engaged to provide the required professional and technical services to undertake investigations, complete the design to RIBA stage 2 and procure a delivery partner. The current European Threshold (the estimated contract value beyond which the European Regulations will apply) for services is approximately £172,000. Any of the associated professional services contracts with an estimated value in excess of this must be tendered in accordance with the Public Contracts Regulations 2015. A pre-procured framework may be used although this is dependent upon the terms of reference under which the framework was originally procured and the requirements stated in paragraph 5.3 must be observed.
- 5.7. It is proposed to only procure part of the professional and technical services required for the proposed development (i.e. to RIBA stage 2). It may be preferable, however, from a procurement perspective to anticipate using consultants through the whole period of the development. This is because

consultants will likely have ownership of intellectual property rights and an in-depth understanding of the project, having taken part in the design of the scheme. If, as proposed, the professional and technical services are not procured through to completion, then a further competition will be required for the next stage of services. Under a further competition there is no guarantee that the original professional service provider will win and therefore be able to be used throughout the remainder of the project.

- 5.8. The options in the report include disposal of properties identified in paragraph 3.11, either as part of a development agreement or by separate sale. Under section 123 of the Local Government Act 1972 the Council may dispose of its land in any manner that it may wish. However, except with the Secretary of State's consent or in the case of a short tenancy, the consideration for such disposal must be the best that can be reasonably be obtained. This obligation will need to be complied with, whichever of the options is adopted.
- 5.9. On 17 December 2014, the Secretary of State made directions in relation to the Council pursuant to powers under section 15(5) and (6) of the Local Government Act 1999. Those directions are in place until 31 March 2017. The Secretary of State appointed Commissioners whose prior written agreement is required to the disposal of property other than existing single dwellings for residential occupation. This requirement will apply to the disposal of the sites listed in paragraph 3.11 of the report.
- 5.10. The directions made by the Secretary of State also require that during the direction period the Council must adopt all recommendations of the statutory officers (relevantly the head of paid service, the monitoring officer and the chief finance officer) in relation to entry into contracts, unless the prior agreement of the Commissioners is obtained not to do so.
- 5.11. Before awarding the contracts, 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 level of equality analysis required is that which is proportionate to the function in questions and its potential impacts and consultation may be necessary in order to fully understand the needs of the people who have protected characteristics (as defined under the act) affected by changes caused by this project.
- 5.12. Any consultation carried out for the purposes of assessing the impact of the development 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. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Consideration has been given to the potential impacts of choosing one of the options set out in the report on people with protected characteristics within the meaning of the Equality Act 2010. An analysis document is in preparation which will be tabled at the Cabinet meeting.
- 6.2 One of the issues with buildings of a certain age, including many of the assets currently in the council's ownership, is that they are not fully accessible for those people with physical disabilities, and ensuring full accessibility and DDA compliance will be prohibitively expensive. The purpose-built civic centre development will allow the council to design the building so as to ensure it is fully accessible. This will be specified as part of the design process to ensure it is a central consideration in the design of the building.
- 6.3 When compared to Mulberry Place, the central location, transport links, and design of the purpose-built civic centre in Whitechapel Road will increase the openness and approachability of the civic centre, encouraging participation and engagement in the democratic process as well as facilitating easier access to services. In addition, a new purpose-built council chamber can design out many of the physical issues that exist with the Mulberry Place council chamber. This includes poor acoustics and limited sight lines, hampering involvement in the democratic process.
- 6.4 Any procurement exercise will ensure that equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed.
- 6.5 In particular the delivery of the new CCW will in line with all other major development projects ensure and require early consultation with the whole community and engagement to ensure that the maximum benefit can be drawn for the local community in terms of employment and training.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 The delivery of any new building is an opportunity to better the green credentials of the occupier and seek to improve their environmental effect.
- 7.2 The current Council stock is old and in poor condition with inefficient services and building fabric. The current town hall at Mulberry Place is also particularly ineffective in environmental terms.
- 7.3 The new CCW offers a number of opportunities to improve the green and environmental credentials of the Council.
- 7.4 The location of the CCW is in the centre of a public transportation hub offering the opportunity for all staff and members to get to the centre without the use

of private cars. The non-provision of car parking (other than disabled) will ensure that the travel carbon footprint of the staff is dramatically decreased.

- 7.5 The effective reuse of a substantial part of the original hospital building in recycling it will also reduce the level of new build whilst allowing the thermal and environmental services upgrade to take place. The new building will be designed to deliver an efficient and environmentally sustainable building replacing the existing dated and inefficient stock.
- 7.6 Finally and in many ways most importantly the new CCW provides the opportunity to change working practices, to reduce waste and paper resources and increase home working with more efficient systems.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. There are a number of key risks that can be identified under the following headings

Programme

- 8.2. With no flexibility on the lease end date at Mulberry Place the delivery of the new CCW must happen on time. The best mitigation for this would be the use of a suitable and procurement compliant framework to allow an OJEU compliant procurement but in a shorter period of time.
- 8.3. There is sufficient time available to deliver the project but there is no float available in the critical path.
- 8.4. A timely decision is needed to enable the technical team to be appointed and the procurement and design to be started.
- 8.5. In order to mitigate some programme risk and additionally to enable greater certainty in design and therefore cost, it is proposed to let a separate enabling contract in the short term. This contract will strip the building of joinery, services, asbestos and redundant fabric and enable effective opening up and investigations. This will allow effective heritage asset assessment, structural investigations and design this contract will also allow the cleaning up of asbestos and weatherproofing the building to prevent degradation of the fabric in the interim period before works commence in earnest. It is estimated that this work will cost in the region of £2-3 million which is cost that will be incurred in any event.

Cost

- 8.6. The construction market is currently very active and there are shortages of both labour and materials. This combined with a pent up cost inflation from a long period of cost stagnation means that the coming years will see significant cost inflation, alongside developers being selective about schemes they will bid for.

- 8.7. The best mitigation is to buy early and fix costs.
- 8.8. Minimising uncertainty for the contracting market will mean less risk pricing. To this end the market has confirmed that the fuller the design the better before going out to tender.
- 8.9. Throughout the course of the project the business continuity plan will be developed reviewed and evolved looking at alternative risk mitigations for programme delays including alternative short term accommodation and working practices.

Interdependencies

- 8.10. The current depot on the Commercial Road site will need to be vacated in order to dispose of this site. The delivery of a CLC service delivery plan is critical to support the development of the depot strategy in order to give certainty over the vacant possession of this site.
- 8.11. Whilst the new CCW project has been progressing and has made a number of informed assumptions about the future look of the Council the Council has yet to even start looking at the business change and structure and size of the Council in the future. The proposed new CCW can accommodate a flexible approach to the future shape and size but this must be firmed up before construction and preferably before the scheme is tendered. Failure to do so would be an opportunity lost to the Council to ensure that the new CCW is a perfect fit for the long term and allow the delivery team to consider future flexibility within the building with regard complementary alternative use and income generation.
- 8.12. An indication therefore of the operational structure of the Council and directorate size would be a minimum requirement and would be needed by summer 2015.
- 8.13. CMT must commence the strategic review and business change of the Council.
- 8.14. The current 5 year asset strategy for the Council is due for updating and refreshing. This is currently proving difficult in the absence of information from some areas on their future needs. Without updating this strategy the Council runs the risk of not maximising its current stock and releasing further assets for disposal.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are none specific arising from this report

10. EFFICIENCY STATEMENT

- 10.1 The review sets out to achieve service and financial efficiencies through the relocation of Town Hall facilities onto a purpose built site

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix 1 – Equality Analysis (to follow)

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

- None.

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Agenda Item 5.2

Committee: Overview & Scrutiny	Date: 12 th May, 2015	Classification: Unrestricted	Report No. 5.2
Report of: Service Head, Democratic Services Originating Officer(s): David Knight, Committee Services Officer		Title: Recommendation to sell 296 Bethnal Green Road by auction instead of by informal tender as authorised by cabinet on 4th February 2015 Wards: All	

1. SUMMARY

- 1.1 The attached report “Recommendation to sell 296 Bethnal Green Road by auction instead of by informal tender as authorised by Cabinet on 4th February 2015” and has been “Called In” by Councillors Rachael Saunders; Danny Hassell; Clare Harrisson; Shiria Khatun and Amina Ali as until the election of a new mayor, executive decisions should be paused in order to ensure legitimacy and accountability of any decisions. 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 considers
- A. The contents of the attached report, review the Executive decision (provisional, subject to Call In) arising; and
 - B. Decide whether to accept the decision or to refer the matter back to the Executive with proposals and reasons.

3. BACKGROUND

- 3.1 The request (received 29 April, 2015) to “call-in” the Executive decision published on 27 April, 2015 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 Executive 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 Executive for further consideration.
- 3.3 Implementation of the decision is suspended whilst the “Call In” is considered.

4. THE PROVISIONAL EXECUTIVE DECISION

4.1 The overall report is attached at Appendix 1. However for ease, the decisions as agreed by the Executive in relation to the report are listed below:-

DECISION

4.2 On 4th February 2015 Cabinet authorised the sale, by informal tender, of five council owned properties, being 11-31 Toynbee Street, 2 Jubilee Street, 31 Turner Street, 329 Morville Street and 296 Bethnal Green Road. The report however recommended that 296 Bethnal Green Road should be sold by auction rather than informal tender for a number of reasons as laid out within the report. The recommendations were as follows:

- A. Agree the sale of 296 Bethnal Green Road by auction; and
- B. Note that following a direction given by the Secretary of State on 17 December 2014, prior written agreement will be required from appointed Commissioners before disposing of the property.

4.2 Reasons for Decisions

4.2.1 The appendix to this report sets out the full reasons for the proposals and they can be seen in the attached appendix to the Executive Decision.

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 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 above gives the following reason for the Call-in:

5.1.1 Until the election of a new mayor, executive decisions should be paused in order to ensure legitimacy and accountability of any decisions made. The Deputy Mayor has no democratic mandate to make decisions, including the decision over 296 Bethnal Green Road.

5.1.2 The disposal of assets such as 296 Bethnal Green Road during a period of uncertainty over governance issues – namely the removal of the Executive Mayor from office – would benefit from full scrutiny in a cross-party arena. Consideration by the Overview and Scrutiny Committee would provide such scrutiny and examination.

5.1.3 The disposal of assets is a decision for the Department for Communities and Local Government's appointed Commissioners.

5.2 Alternative action proposed:

1. That this executive decision is reversed; and
2. That there is a moratorium on decision making (decisions made unilaterally by the Deputy Mayor) until the election of a new mayor.

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 the Executive 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 4th 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 decision/s), or to refer the matter back to the Executive 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 Executive 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 2.1 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 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


1. Appendix 1 – Bethnal Green Road Disposal

**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

Individual Mayoral Decision Proforma Decision Log No: 84	 TOWER HAMLETS
Report of: Aman Dalvi Corporate Director D&R	Classification: Unrestricted.
Recommendation to sell 296 Bethnal Green Road by Auction instead of by informal tender as authorised by Cabinet on 4th February 2015	

Is this a Key Decision?	No
Decision Notice Publication Date:	N/A
General Exception or Urgency Notice published?	Not required
Restrictions:	None

EXECUTIVE SUMMARY

On 4th February 2015 Cabinet authorised the sale, by informal tender, of five council owned properties, being 11-31 Toynbee Street, 2 Jubilee Street, 31 Turner Street, 329 Morville Street and 296 Bethnal Green Road. Officers are recommending that 296 Bethnal Green Road is sold by auction rather than informal tender for a number of reasons as laid out within the report. This recommendation does not affect the other properties noted in the 4th February 2015 Cabinet decision that are to be sold by informal tender.

Although sale by auction is not considered appropriate for the properties at Toynbee Street, Jubilee Street, Turner Street and Morville Street, as noted in the Executive Summary above, sale by auction is an ideal method of sale for the shop at 296 Bethnal Green Road which has no development potential and has a straightforward retail use.

Due to its poor condition, small size and straightforward use, 296 Bethnal Green Road will benefit from being sold at auction rather than by informal tender. Investors and developers and those who are likely to be interested in purchasing this type of property regularly purchase at auction houses, often without viewing the property. Sale by auction will ensure good market coverage and that the property is seen by those parties typically interested in this type of purchase. During an auction the price paid for properties can exceed its estimated market value.

Sale by auction is usually a quick process with the sale becoming legally binding on the fall of the hammer. The buyer must pay 10% of the purchase price immediately and is contracted to pay the outstanding amount within 28 days after the auction. There can be no renegotiating of price. A quick sale

will be particularly advantageous: 296 Bethnal Green Road has suffered from squatters in the past and there is currently a full time security guard on the premises which is costing the Council £250 per day.

Auctions are ideal methods of sale for relatively straightforward transactions where purchasers often carry out minimal pre-sale due diligence.

The alternative option is to remain with the Cabinet decision of 4th February and to sell 296 Bethnal Green Road by informal tender. Sale by informal tender will delay the sales process and security costs will remain until the property sale completes.

DECISION

The Mayor is recommended to:

1. Agree the sale of 296 Bethnal Green Road by auction.
2. Note that following a direction given by the Secretary of State on 17 December 2014, prior written agreement will be required from appointed Commissioners before disposing of the property.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 28/4/15

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 14/4/15

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 16/04/15


Deputy

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in ~~paragraph X~~ in the attached report.

Signed Date 27/4/15

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Individual Mayoral Decision	 TOWER HAMLETS
Report of: Aman Dalvi, Corporate Director D&R	Classification: Unrestricted
Recommendation to sell 296 Bethnal Green Road by Auction instead of by informal tender as authorised by Cabinet on 4th February 2015	

Lead Member	Oliur Rahman
Originating Officer(s)	Kevin Pulsford
Wards affected	Weavers ward
Community Plan Theme	
Key Decision?	No

Executive Summary

On 4th February 2015 Cabinet authorised the sale, by informal tender, of five council owned properties, being 11-31 Toynbee Street, 2 Jubilee Street, 31 Turner Street, 329 Morville Street and 296 Bethnal Green Road. Officers are recommending that 296 Bethnal Green Road is sold by auction rather than informal tender for a number of reasons as laid out within the report. This recommendation does not affect the other properties noted in the 4th February 2015 Cabinet decision that are to be sold by informal tender.

This report sets out the reasons why selling 296 Bethnal Green Road by auction is the preferred method of disposal.

Recommendations:

The Mayor is recommended to:

1. Agree the sale of 296 Bethnal Green Road by auction.
2. Note that following a direction given by the Secretary of State on 17 December 2014, prior written agreement will be required from appointed Commissioners before disposing of the property.

1. REASONS FOR THE DECISIONS

- 1.1 Following the Cabinet decision made on 4th February 2015 authorising the sale of a number of properties by informal tender officers have reconsidered the options of sale for 296 Bethnal Green Road. Upon further reflection officers are of the opinion that sale by auction for this property would be beneficial in terms of speed of sale, market coverage and likely price achieved.

2. ALTERNATIVE OPTIONS

- 2.1 The alternative option is to remain with the Cabinet decision of 4th February and to sell 296 Bethnal Green Road by informal tender. Sale by informal tender will delay the sales process and security costs will remain until the property sale completes.

3. DETAILS OF REPORT

- 3.1 The Council owns a number of assets that are currently vacant or due to become vacant. Following a review of the options available including bringing them back into use, developing them as Council-led projects and disposal, the Cabinet took a decision on 4th February 2015 to:

- Agree that the land and buildings are surplus to requirements;
- Agree to the disposal of the sites by informal tender;
- Agree to the sale of the sites on 199 year leases;
- Note that following a direction given by the Secretary of State on 17th December 2014, prior written agreement will be required from appointed Commissioners before disposing of these properties;
- Authorise the Corporate Director, Development and Renewal to appoint external agents to support the marketing of the sites;
- Authorise the Corporate Director, Development and Renewal to accept the best tender return for the sites on conclusion of the marketing exercise;
- Authorise the Corporate Director, Development and Renewal, following consultation with the Service Head, Legal Services, to agree the terms and conditions of any agreements required to implement the recommendations above;
- Agree to proceed with the decision made on 5th September 2012 to market and dispose of 329 Morville Street
- Agree that the vacant retail unit at 296 Bethnal Green Road is declared surplus to requirements and authority granted for its open market disposal.

Four of the properties to be sold are development sites or have potential for substantial refurbishment or conversion. Informal tender is the method most often used by Local Authorities to sell properties of this type. Whilst it carries the risk that the buyer can withdraw or renegotiate and can be a lengthier process overall, sale by informal tender has the following advantages:

- It is fully understood by the developer, house-builder and registered provider market and has their acceptance due to its common usage.
- It achieves best consideration by virtue of full exposure to the widest target market.
- The seller has the flexibility under certain circumstances to further negotiate some of the terms after bidder selection.
- It allows the buyer to carry out some detailed due diligence once they have been selected and whilst contracts are prepared.

3.2 Although sale by auction is not considered appropriate for the properties at Toynbee Street, Jubilee Street, Turner Street and Morville Street, as noted in the Executive Summary above, sale by auction is an ideal method of sale for the shop at 296 Bethnal Green Road which has no development potential and has a straightforward retail use.

3.3 Due to its poor condition, small size and straightforward use, 296 Bethnal Green Road will benefit from being sold at auction rather than by informal tender. Investors and developers and those who are likely to be interested in purchasing this type of property regularly purchase at auction houses, often without viewing the property. Sale by auction will ensure good market coverage and that the property is seen by those parties typically interested in this type of purchase. During an auction the price paid for properties can exceed its estimated market value.

3.4 Sale by auction is usually a quick process with the sale becoming legally binding on the fall of the hammer. The buyer must pay 10% of the purchase price immediately and is contracted to pay the outstanding amount within 28 days after the auction. There can be no renegotiating of price. A quick sale will be particularly advantageous: 296 Bethnal Green Road has suffered from squatters in the past and there is currently a full time security guard on the premises which is costing the Council £250 per day.

3.5 Auctions are ideal methods of sale for relatively straightforward transactions where purchasers often carry out minimal pre-sale due diligence.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 On 4 February 2015, the Mayor in Cabinet confirmed that various Council owned sites were surplus to requirements and approved their disposal by informal tender.

4.2 Following that decision, officers have concluded that one of the sites, 296 Bethnal Green Road, is likely to secure more interest if it is disposed of at auction, and that a higher capital receipt would be likely. This report seeks approval for this method of disposal to be used.

4.3 The site is currently unused and generates no income for the Authority, but the Council is incurring revenue costs of £250 per day to secure the property

– see paragraph 1.3. Assuming that the property is sold, disposal at auction will be a quicker method of both generating a capital receipt and ending the need for these security costs to be incurred.

- 4.4 Any disposal by the Council must be progressed in accordance with the direction issued by the Secretary of State on the 17th December 2014 – specifically that the Council must obtain the prior written agreement of the Commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties, any property other than dwellings.
- 4.5 296 Bethnal Green Road is held under General Fund powers, and as such, any receipt would be 100% usable. Any costs incurred in relation to the sale could be met through the 'top-slicing' of up to 4% of the receipt value. If the sale does not progress, any costs will be abortive and would need to be met from existing revenue budgets.
- 4.6 Any capital receipt accruing from the sale of the property will be fully usable to support capital expenditure incurred by the Council. These potential resources are not currently included within the capital programme as the Authority adopts a prudent approach to the use of capital receipts and only allocates them to schemes once they have been received and all contractual commitments met.

5. LEGAL COMMENTS

- 5.1 Under section 123 of the Local Government Act 1972, the Council may dispose of its land in any manner that it may wish. However, except in the case of a short tenancy, the consideration for such disposal must be the best that can reasonably be obtained. Otherwise, the Council requires the Secretary of State's consent for the disposal.
- 5.2 The Council's procedures for disposals and lettings, adopted at Cabinet on 8 April 2015, specify that disposals may be by one of the following means: (a) informal tender; (b) formal tender; (c) auction; and (d) sale by negotiation. The procedures provide that the Service Head, Corporate Property and Capital Delivery will determine the most appropriate method of sale, based on the type and location of the property and the prevailing property market and subject to the Council meeting its legal requirements. In this case, auction is recommended for reasons set out in the report. Provided that it is properly marketed and conducted, auction should be capable of yielding best consideration for the Council.
- 5.3 The Council is obliged 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 disposal of property in accordance with the Council's duty under section 123 of the Local Government Act 1972 and its adopted disposal procedures should ensure compliance with the best value duty.

- 5.4 A contract for sale of land by auction usually consists of the following: (a) the particulars describing the land to be sold; (b) the conditions, stating the terms of the sale; and (c) the memorandum of sale, which will be signed by or on behalf of the buyer at the auction itself. In this case it will be necessary to attach the draft lease, since it is proposed to sell a 199 year lease. The conditions of sale will be prepared by the Council's solicitors in conjunction with the auctioneer, who will prepare the particulars of sale. It is usual for the contract to provide that a full 10% deposit is to be paid at auction.
- 5.5 The title to the property must be investigated by the Council's solicitor prior to the preparation of the auction contract and official copy entries of the registered title, a local authority search, replies to standard pre-contract enquiries and any other relevant searches must be available to prospective buyers both before the auction and at the auction itself. The Council's solicitor should attend the auction in order to answer any queries which may arise.
- 5.6 A bid made at auction is an offer and is accepted by the fall of the auctioneer's hammer. By virtue of section 5 of the Sale of Land by Auction Act 1867, the contract must state whether or not the property is subject to a reserve price. Unless a reserve price is placed on the property, the auctioneer will be bound to sell to the highest bidder. The risk for insurance purposes of damage to the property passes to the successful bidder at the conclusion of bidding. Completion of the contract is usually 20 working days after the date of auction.
- 5.7 On 17 December 2014, the Secretary of State appointed Commissioners pursuant to powers under section 15(5) and (6) of the Local Government Act 1999 whose prior written agreement will be required to the disposal of property other than existing single dwellings for residential occupation.
- 5.8 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). Information is contained in section 6 of the report relevant to these considerations.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The property is surplus to requirements, so no adverse equality impacts should arise from the disposal. The Council will include appropriate equality obligations in the contract with the auctioneer. The proceeds of the sale will be used in pursuit of the Council's Community Plan objectives.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

7.1 There are no immediate 'sustainable action for a greener environment' implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

8.1 Sale by auction will remove the risk of the buyer withdrawing or renegotiating after the fall of the hammer.

8.2 The Council is in the process of appointing selling agents whose brief will include a valuation of each property, advice on method of sale and also whether the sites should be sold conditionally or unconditionally. Should their advice differ from that set out above a supplemental report will be prepared.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

10. EFFICIENCY STATEMENT

10.1 A sale by auction is likely to be concluded considerably quicker than a sale by informal tender. This will bring about considerable savings in terms of existing security. The property is at risk of squatters and there is 24 hour manned security currently in place to mitigate this risk.

Linked Reports, Appendices and Background Documents

Linked Report

- List any linked reports [Cabinet decision of 4th February 2015 6.3 (Interim Disposals Programme)].

Appendices

- NONE

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

- NONE.

Officer contact details for documents:

Kevin Pulsford

-



Agenda Item 7.2

Committee: Overview & Scrutiny	Date: 12 th May 2015	Classification: Unrestricted	Agenda Item: 7.2
Report of: Service Head Corporate Strategy & Equality, Louise Russell Originating officer(s) Gulam Hussain, Strategy, Policy & Performance Officer, Corporate Strategy & Equality		Title: Literacy across Early Years, Primary, Secondary and Adult Learning Wards Affected: ALL	

1. **SUMMARY**

- 1.1 This report provides recommendations following a scrutiny review to support literacy skills across Early Years, Primary, Secondary and Adult Learning.

2. **RECOMMENDATIONS**

The Overview and Scrutiny Committee is recommended to:-

- 2.1 Agree the draft report and the recommendations contained in it; and
- 2.2 Authorise the Service Head for Strategy & Equality to amend the draft report before submission to Cabinet for consideration after consultation with the scrutiny review group.

3. **BACKGROUND**

- 3.1 The scrutiny review took place throughout February and March 2015, led by Cllr Denise Jones, Scrutiny Lead for Children, Schools and Families.
- 3.2 Literacy is noted to have a significant impact in improving life outcomes ranging from better employment prospects, health and wellbeing outcomes and economic benefits to the taxpayer.
- 3.3 Tower Hamlets as a deprived borough has high levels of functional illiteracy amongst its adult population. In addition, based on the results from 2014, 13% of students did not achieve a Level 4 in reading and writing at Key Stage 2 whilst approximately 40% of learners left secondary school without 5 A*-C grades which included English and Maths. At the Early Years stage, results are below the London average.

- 3.4 The review was underpinned by three core questions:
- a) What are the key causes of underachievement and how can attainment be sustained?
 - b) What are the interventions available to all teachers to identify and tackle poor literacy in children?
 - c) How effective are the adult learning provisions in identifying and reaching out to learners with poor literacy?
- 3.5 The report with recommendations is attached at Appendix One. Twelve recommendations have been made:

Recommendation 1:

Continue to fund the operation of Local Authority nurseries.

Recommendation 2:

Improve the quality of online information available on the council's website including making available information and videos on the impact of early years learning.

Recommendation 3:

Support the development of early years hubs to promote good practice through clusters of providers.

Recommendation 4:

Support the identification of grant streams and corporate sponsors to ensure the continued availability of the Reading Recovery programme in Tower Hamlets.

Recommendation 5:

Explore opportunities in conjunction with the Idea Store Learning Service to support the development of higher literacy skills amongst Support Staff in Early Years, Primary and Secondary settings in the borough.

Recommendation 6:

Develop and implement a pilot Academic English programme at Key Stage 3 and assess the impact on learning outcomes.

Recommendation 7:

Make available to the Overview and Scrutiny Committee findings of the commissioned research and relevant action plans to address underachievement amongst White British students.

Recommendation 8:

Undertake a review of the successes of the Triage tool at the end of Year 1 and report findings to the Overview and Scrutiny Committee.

Recommendation 9:

Undertake a review of health literature developed to support those with poor literacy and assess the impact on the patient experience and the success in affecting the management of health conditions. The findings of this review are to be reported to the Council's Overview and Scrutiny Committee.

Recommendation 10:

That Healthwatch Tower Hamlets undertake a research project to scope existing work on health literacy in the borough and its impact on the health of local residents and identify areas for improvements. The findings of this research are to be reported to the Council's Health Scrutiny Panel and the Overview and Scrutiny Committee.

Recommendation 11:

Include improving Health Literacy as a strategic issue in the development of the new of the Health and Wellbeing Strategy in 2016/17.

Recommendation 12:

Explore the use of the triage tool developed by the Idea Store service within health settings across the borough.

4. BODY OF REPORT

- 4.1 The report of the challenge session is attached at Appendix 1.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 5.1 This draft report contains twelve recommendations which if agreed will be submitted to Cabinet for consideration. Any recommendations which are agreed by Cabinet would need to be met within existing Council resources where possible.

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 which ensure the committee has specified powers. Consistent with that 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, as appropriate, in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Committee to be asked to agree the report and recommendations and to authorise a senior officer to amend the draft report before submission to Cabinet for consideration after consultation with the scrutiny review group.
- 6.2. In respect of the recommendations contained in the report, the Council has a duty 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 by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 6.3. The Council's functions in relation to children include a duty under section 11 of the Children Act 2004 and section 175 of the Education Act 2002 to make arrangements to ensure that its functions are discharged having regard to the need to promote the welfare of children. Section 17 of the Children Act 1989 introduced a general duty for local authorities to promote the welfare of children within their area who are in need, including children with disabilities. The Council's general duty to promote high standards of education in respect of primary and secondary school students is set out under section 13A of the Education Act 1996.
- 6.4. The Childcare Act 2006 ("the 2006 Act") imposes a number of duties on local authorities. The general duty contained in section 1 of the 2006 Act is to (a) improve the well-being of young children in their area; and (b) reduce inequalities between young children in their area in respect of various matters, including physical and mental health and emotional well-being, protection from harm and neglect, education, training and recreation, the contribution made by them to society and social and economic well-being.

- 6.5. By section 3 of the 2006 Act, a local authority must make arrangements to secure that early childhood services in its area are provided in an integrated manner, which is calculated to facilitate access to those services, and to maximize the benefit of those services to parents, prospective parents and young children. “Early childhood services” are defined by section 2 of the 2006 Act, and includes “early years provision” for young children – i.e. the provision of childcare for a young child. In deciding what “arrangements” to make under this section, a local authority must have regard to (a) the quantity and quality of early childhood services that are provided, or expected to be provided, in the area; and (b) where in that area those services are provided or are expected to be provided.
- 6.6. Under related regulations, the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012, the Council must secure free early years provision for 15 hours per week, 38 weeks per year, for all 3-4 year olds and eligible 2 year olds.
- 6.7. Section 193 of the Health and Social Care Act 2012 inserts a new s116A into the Local Government and Public Involvement in Health Act 2007, which places a duty on the Health and Wellbeing Board to prepare a joint strategic health and wellbeing strategy in respect of the needs identified in the Joint Strategic Needs Assessment. The duty to prepare this plan falls on local authorities and the Clinical Commissioning Group, but must be discharged by the Health and Wellbeing Board. The Board must have regard to the Statutory Guidance on Joint Strategic Needs Assessments and Joint Health and Wellbeing Strategies published on 26 March 2013, and can only depart from this with good reason.
- 6.8. The Health and Social Care Act 2012 also amended section 221 of the Local Government and Public Involvement in Health Act 2007 to introduce a Local Healthwatch. The functions of the Local Healthwatch include making reports and recommendations about how local care services could or ought to be improved. Section 226 of the 2007 Act sets out that the Local Healthwatch have an additional reporting power enabling them to refer matters relating to social care services to the Council’s Overview and Scrutiny Committee, which must then have regard this information.
- 6.9. In the exercise of its functions, the Council must with the public sector equality duty to eliminate unlawful conduct under the Equality Act 2010, the need to have regards to equality of opportunity and the need to foster good relations between persons who share a protected characteristic, including ethnicity, and those who do not.

7. ONE TOWER HAMLETS

- 7.1 The recommendations contained within this report aim to advance equality of opportunity for residents of the borough to secure access to high quality learning facilities.

- 7.2 Implementing the recommendations in this report will support the Local Authority to deliver on its Community Plan priorities which include a vision of delivering a 'Prosperous Community' and a 'Healthy and Supportive Community'. The recommendations also seek to aid the Local Authority in widening access to early years learning for some of the most disadvantaged 2 year olds, as determined by the eligibility criteria, within the borough.

8. **BEST VALUE IMPLICATIONS**

- 8.1 The Scrutiny Review supports the Best Value duty by setting out a number of recommendations which aim to support improvement, informed by consideration of economy, efficiency and effectiveness. The report recommends that work be undertaken to assess the effectiveness of existing health literacy work and that the Executive seeks to identify grant streams and corporate sponsors to ensure the continued availability of the Reading Recovery programme in Tower Hamlets.

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

- | | |
|---|--|
| 1. Presentation from LBTH Idea Store Service . Adult Literacy services in Tower Hamlets. | Gulam Hussain ext 4710
gulam.hussain@towerhamlets.gov.uk |
| 2. Presentation from LBTH Public Health . Health and Literacy in Tower Hamlets. | Gulam Hussain ext 4710
gulam.hussain@towerhamlets.gov.uk |
| 3. Presentation from Osmani Primary School . Reading Recovery in Tower Hamlets | Gulam Hussain ext 4710
gulam.hussain@towerhamlets.gov.uk |
| 4. Presentation from Swanlea School . Embedding Literacy in the curriculum. | Gulam Hussain ext 4710
gulam.hussain@towerhamlets.gov.uk |

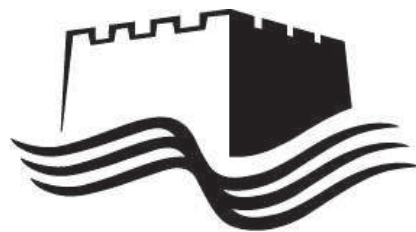
9. **APPENDICES**

Appendix 1 – Scrutiny Review Report: Literacy across Early Years, Primary, Secondary and Adult Learning

APPENDIX ONE

Literacy across Early Years, Primary, Secondary and Adult Learning

Scrutiny Review Report



TOWER HAMLETS

**London Borough of Tower Hamlets
May 2015**

Chair's Foreword

Councillor Denise Jones

This Scrutiny Review set out to assess the success and quality of the Borough's existing approach to improving literacy at all levels of learning experience. The panel was concerned that despite excellent teaching from early years through to adults there are children leaving primary schools and students at GCSE level who are not reading at the expected level for their age.

Access to literacy is recognised as a basic right and 'is fundamental to informed decision-making, personal empowerment, active and passive participation in local and global social community.' Investment in developing literacy skills has shown to have supported statistically significant increases in life satisfaction, mental well-being, locus of control and self-esteem' and provides a greater return to the taxpayer.

Over the course of the last decade, Tower Hamlets Council has invested to develop its provisions to secure improved outcomes across primary and secondary learning. Despite the progress made, up to 13% of pupils continue to secure less than a Level 4 in Reading and Writing at the end of Key Stage 2, and up to 40% of pupils struggle to achieve 5 GCSE's at A*-C including English and Maths by the end of Key Stage 4. In the area of adult learning the borough reports the second highest rate of functional illiteracy with 21.5% of adults reporting literacy levels below level 1.

Responding to the scale of the challenge, pressures of continued reductions in resources and the impact of welfare reform, often affecting the most vulnerable in society, requires continued investment in effective and high quality provisions and is at the heart of developing a more resilient and empowered community. With this in mind the panel have undertaken this review to explore how the Local Authority can continue to improve outcomes.

Throughout the course of this review the panel broadly explored wider issues, including the availability of sufficient educational psychology services to schools and its impact on unlocking funding for learners with special educational needs, as well as the effect of interventions (academic and non-academic) on learners currently in Pupil Referral Units. Recognising the importance of these areas as connected to the objectives of this review but ultimately independent issues, the panel hopes that these will be incorporated in future work programmes adopted by the Overview and Scrutiny Committee.

Summary of Recommendations

Recommendation 1:

Continue to fund the operation of Local Authority nurseries.

Recommendation 2:

Improve the quality of online information available on the council's website including making available information and videos on the impact of early years learning.

Recommendation 3:

Support the development of early years hubs to promote good practice through clusters of providers.

Recommendation 4:

Support the identification of grant streams and corporate sponsors to ensure the continued availability of the Reading Recovery programme in Tower Hamlets.

Recommendation 5:

Explore opportunities in conjunction with the Idea Store Learning Service to support the development of higher literacy skills amongst Support Staff in Early Years, Primary and Secondary settings in the borough.

Recommendation 6:

Develop and implement a pilot Academic English programme at Key Stage 3 and assess the impact on learning outcomes.

Recommendation 7:

Make available to the Overview and Scrutiny Committee findings of the commissioned research and relevant action plans to address underachievement amongst White British students.

Recommendation 8:

Undertake a review of the successes of the Triage tool at the end of Year 1 and report findings to the Overview and Scrutiny Committee.

Recommendation 9:

Undertake a review of health literature developed to support those with poor literacy and assess the impact on the patient experience and the success in affecting the management of health conditions. The findings of this review are to be reported to the Council's Overview and Scrutiny Committee.

Recommendation 10:

That Healthwatch Tower Hamlets undertake a research project to scope existing work on health literacy in the borough and its impact on the health of local residents and identify areas for improvements. The findings of this research are to be reported to the Council's Health Scrutiny Panel and the Overview and Scrutiny Committee.

Recommendation 11:

Include improving Health Literacy as a strategic issue in the development of the new of the Health and Wellbeing Strategy in 2016/17.

Recommendation 12:

Explore the use of the triage tool developed by the Idea Store service within health settings across the borough.

1. Introduction

- 1.1 Recognising the importance of literacy to effect change, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) upholds literacy as a human right and as 'a tool of personal empowerment and a means for social and human development'.
- 1.2 In 2008, the National Literacy Trust published a report entitled 'Literacy Changes Lives'. The report provided a comprehensive analysis on the impact of literacy on health and wellbeing, economic prosperity, family life and aspirations and civic and cultural engagement. The report concluded that although the relationship between literacy and other variables may not always reflect a direct casual connection, poor literacy was prominent in the profile of a disadvantaged adult.
- 1.3 Aside from the ability of literacy to significantly impair or enhance the quality of life, the impact of literacy also affects society as a whole. The KPMG foundation published in 2006 a report entitled 'The long term costs of literacy difficulties' which highlighted that the cost to the taxpayer of addressing poor literacy up to the age of 37 was between £44,797 and £53,098, or £1.73bn to £2.05bn per annum.
- 1.4 The London Borough of Tower Hamlets, is one of the most deprived authorities in England and London. With a rich migrant history, the borough suffers from high levels of child poverty, unemployment and poor health amongst its local population.
- 1.5 Although the borough has made significant strides in improving learning outcomes at Key Stages 1 through to 5, there continues to be room for improvement. The 2011 Skills for Life Survey suggests 21.5% of the borough's adult population remains functionally illiterate.
- 1.6 The aim of the review was to explore the support and interventions in place to assist learners throughout their educational journey to develop functional levels of literacy to operate independent and fulfilling lives.
- 1.7 The review was underpinned by three core questions:
 - a) What are the key causes of underachievement and how can attainment be sustained?
 - b) What are the interventions available to all teachers to identify and tackle poor literacy in children?
 - c) How effective are the adult learning provisions in identifying and reaching out to learners with poor literacy?
- 1.8 The review was chaired by Cllr Denise Jones, Scrutiny Lead for Children's Services over the course of 4 sessions in February and March 2015. The sessions held at the Town Hall, Mulberry Place and were supplemented by a visit to the Osmani Primary School.

1.9 Other members of the panel included;

Cllr Danny Hassell	Councillor, Bromley South
Nozul Mustafa	Co-opted members of the Overview & Scrutiny Committee
Victoria Ekubia	
Rev. James Olanipekun	

1.10 The review was supported by;

Gulam Hussain	Strategy, Policy and Performance Officer
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1.11 The panel received evidence from a range of officers and experts including;

Brenda Taggart	Principal Investigator, UCL Institute of Education
Tara Furlong	Advocate, Research & Practice in Adult Literacy (RaPAL)
Remi Atoyebi	Head, Osmani Primary School
Georgie Hughes	Reading Recovery Teacher, Osmani School
Brenda Landers	Head. Swanlea School
Anne Canning	Service Head, Learning & Achievement
Sue Crane	Ethnic Minority Achievement Officer
Di Warne	Head of Secondary Learning & Achievement
Monica Forty	Head of Learning & Achievement – Birth to Eleven
Juanita Haynes	Senior Research Officer
Jo Green	Childcare Sufficiency Manager
Sharon Gentry	Childcare Quality Manager
Pauline Hoare	Early Years Lead Officer
Gillian Harris	Head of Schools Library Service
Nicola Blatchly-Lewis	Strategic Manager, Early Years & Childcare, London Borough of Newham
Judith St John	Head of Idea Store
Simon Leveaux	Deputy Head, Idea Store Learning
Niki Chatha	Assistant Programme Manager - Skills for Life
Leanne Chandler	Assistant Programme Manager - ESOL
Somen Bannerjee	Director of Public Health

2. The Learning and Achievement Service

- 2.1 The Learning and Achievement Service in Tower Hamlets supports the delivery of learning across early years, primary, secondary and further education for residents of the borough. In 2013, a report commissioned by Tower Hamlets Council with support from experts from the UCL Institute of Education argued that that the borough hosted 'some of the best urban schools in the world'.¹
- 2.2 The work of the service is focused on supporting improvement across 85 nursery, primary and secondary schools in addition to the growing number of sixth form provisions as well as working closely with the growing body of academies and free schools in the borough.

A detailed structure chart is included in **Appendix 1**.

The Early Years Service

- 2.3 Early Years learning in Tower Hamlets is facilitated through a range of providers. The borough's needs are met through 61 primary schools with attached early years units, 5 Local Authority nurseries and 6 maintained nursery schools. These are further complemented by 75 private nurseries and playgroups located around the borough and 118 Ofsted registered childminders who are subject to grading and inspection.
- 2.4 The Early Years Service manages the delivery of early learning through the Local Authority nurseries and supports private and maintained providers to deliver high quality learning. The service is responsible for securing sufficient early years provision which offers support and guidance, in line with the statutory duties placed on the Local Authority.
- 2.5 The work of the Early Years team is further supported by the Family Information Service which makes available a list of Ofsted registered childcare and nursery providers for families as well as offering advice and guidance to parents.

Primary Learning and Achievement

- 2.6 The Primary Learning and Achievement service works with the 70 Local Authority maintained schools in the borough. Funded through the traded services model, the service offers professional development opportunities for teachers and senior leaders within primary schools, training around literacy, numeracy and subject specialisms and support for schools during Ofsted inspections.

Secondary Learning and Achievement

- 2.7 The Secondary Learning and Achievement team supports learning across secondary schools and ensures the availability of high quality post-16 provision across the borough. In addition to supporting learning within the school environment, the service employs Home Educational consultants to support families educating children at home. The service relies on funding retained by the Local Authority from the Dedicated Schools Grant and generates income through traded services to support a libraries service and the Gorsfield Rural Studies Centre in Essex

¹ *'Transforming Education for All: the Tower Hamlets Story'* London Borough of Tower Hamlets, 2013

3. Early Years Learning

Early Years Foundation Stage Framework

- 3.1 Introduced as part of the Childcare Act 2006 (effective as of 2008) the Early Years Foundation Stage (EYFS) sets standards for the learning, development and care of children from birth to 5 years old for pupils in England. The framework measures the development of pre-school children across 7 areas of learning including communication and language, personal, social and emotional development and literacy amongst others. All schools and Ofsted-registered early years' providers must follow the EYFS framework, including child-minders, preschools, nurseries and school reception classes.
- 3.2 The Childcare Act 2006 places on Local Authorities the duty to secure sufficient childcare for working parents, assist private providers in the delivery of 570 hours of state funded childcare annually per child and make available information and advice for prospective parents. In addition, Local Authorities are required to support providers in meeting the requirements of the Early Years Foundation Stage, offer advice and training in meeting the needs of children deemed vulnerable, with special educational needs or disabilities and ensure the presence of effective safeguarding and child protection arrangements. Despite the broad range of responsibilities held by Local Authorities, they have no powers to undertake an assessment of the provider and are required to rely on Ofsted as the benchmark for quality.
- 3.3 In 2010 the Government made available 15 hours a week of state funded early education for all 3 and 4 year olds for 38 weeks of the year. In 2013 this was extended to 2 year olds who were looked after or from families meeting the eligibility criteria for free school meals and subsequently extended in 2014 to accommodate 40% of all 2 year olds from the most disadvantaged backgrounds. This change was also accompanied by a revised framework for the Early Years Foundation Stage.

4. The Impact of Early Years Learning

Effective Pre-School, Primary & Secondary Education Project (EPPSE)

- 4.1 To explore the impact of effective early years learning on long term educational gains, the review panel heard evidence from Brenda Taggart, Visiting Research Associate at the UCL Institute of Education.
- 4.2 The panel were introduced to the Effective Pre-School, Primary and Secondary Education Project (EPPSE), a longitudinal study funded by the Department for Education. Commissioned in the 1990's the objective of the research programme was to address the lack of research evidence setting out the long term impact of learning between the ages of 3-4.
- 4.3 The findings of the EPPSE project on the impact of pre-schooling at ages 7, 11, 14 and 16 suggested that not only did effective pre-schooling continue to impact learning outcomes at each stage, but in many instances its measured effect was equivalent to or greater than the impact of the socio-economic background of a learner. Access to effective pre-schooling had the potential to minimise the impact of socio-economic disadvantages, with learners with pre-schooling exceeding the age-related reading expectations even when coming from disadvantaged backgrounds.
- 4.4 Emphasising the importance of high quality early years settings, the review panel were directed to findings from the EPPSE project which highlighted that maintained provisions delivered the best quality, consistency and learning outcomes, whilst the private and independent sector could deliver high quality learning this was often less consistent. The panel was therefore keen to ensure that such settings were available to Tower Hamlets children.
- 4.5 The Early Childhood Environment Rating Scale (ECERS), developed at the University of North Carolina and expanded upon at the UCL Institute of Education, was as introduced as a supporting tool for measuring quality. Indicators of high quality learning settings as determined by the tool were set out as having a balance between activities initiated by adults and children and the use of shared sustained thinking.²

RECOMMENDATION 1:

Continue to fund the operation of Local Authority nurseries.

Supporting Early Years Learning in Tower Hamlets

- 4.6 Explaining the work of the Local Authority in supporting the development of the early years provisions, the Early Years Lead Officer emphasised that many of the initiatives highlighted above, and in other boroughs, were already in place.
- 4.7 The Local Authority supported a range of programmes such as Every Tower Hamlets Child a Talker (ETHCAT) and Every Tower Hamlets Child a Reader (ETHCAR) aimed at supporting effective language development and Helicopter

² Working together with students in an intellectual way to solve a problem, clarify a concept, evaluate activities or extend a narrative. Both parties must do the thinking and it must develop and extend.

Stories to encourage early writing. The Authority also used the Early Childhood Environment Rating Scale (ECERS) and the Infant Toddler Environment Rating Scale (ITERS) as quality benchmarks.

- 4.8 In addition to delivering a comprehensive range of training to providers the service was at present exploring proposals to develop a Forest School within the Borough. Based on the Scandinavian model aimed at promoting awareness of nature and environmental responsibility, a programme based on the Forest Schools principles was being used to stimulate creative thinking to support the development of early writing. The Local Authority had already delivered part funded Level 3 training for 84 early years practitioners and teachers with continued strong demand and had also provided a subsidised trip to Scandinavia with possibilities for further expansion of this offering.
- 4.9 Although statistical near neighbours³ such as Newham outperformed Tower Hamlets by the end of the Early Years Foundation Stage, comparing the two boroughs showed that planned spend in Tower Hamlets per child per hour was 25% less. Only 36% of early years practitioners in private settings possessed Qualified Teacher Status (QTS) or Early Years Professional Status (EYSP) in Tower Hamlets, as opposed to 41% in Newham. In addition 36% of our early years learners were eligible for free school meals, as opposed to 25% in Newham. Coupled with the larger proportion of children entering the early years phase with little or no English, learners in Tower Hamlets were on average at a greater disadvantage.

Accommodating 2 year olds in Early Years Settings

- 4.10 Exploring the widening of early years learning to a greater proportion of 2 year olds, the Childcare Sufficiency Manager set out the current position of the Local Authority in meeting the requirements of this expansion. Whilst there had been a steady uptake of this offer the Authority had failed to meet the target set out by the Department for Education, with the lowest rates in the country.
- 4.11 To understand the reasons why some parents were not taking advantage of the early years offer for 2 year olds, the service commissioned research to identify the common barriers for families. The report identified that parents felt that formal education at age 2 would either conflict with the parental role for providing early care and education or was too early an age for children to be in a formal setting.
- 4.12 The lack of integrated settings allowing the enrolment of 2 year olds at the primary schools of choice also acted a barrier for many families. Restrictions of space and the cost implications meant availability was limited, although Nursery Schools were slowly responding. Whilst the Department for Education (DfE) made available approximately £3,000 per child the actual cost of delivering a high quality provision was approximately £8,000 requiring schools to subsidise the shortfall.
- 4.13 Acknowledging the findings of the research the Early Years Service has adopted a comprehensive marketing and communications strategy. Initiatives identified included writing to eligible parents, operating a 'Golden Ticket' system and introducing changes to the admissions system to encourage enrolment, as well

³ Areas with similar characteristics e.g. demographics, deprivation

as the development of an information DVD. Widespread marketing using the East End Life, the local authority free-sheet and publicity across bus stops and children's centres were also in place. The service also expected to engage ethnic media partners and to commission roadshows to engage the community. However, there are additional measures that could be undertaken to improve take-up of childcare and education for 2 year-olds.

RECOMMENDATION 2:

Improve the quality of online information available on the council's website including making available information and videos on the impact of early years learning.

Ensuring Quality in Early Years Settings

- 4.14 Recognising the growth in early years places in the borough was being driven by the private and voluntary sector, and noting the findings of the EPPSE project, the review panel sought assurance on the quality of provision currently in the borough.
- 4.15 Responding to the panel's concerns, the Childcare Quality Manager highlighted that quality was an issue amongst some providers but the use of the Early Childhood Environment Rating Scale (ECERS) framework had helped in addressing some of these issues. There were at present a limited number of settings which had been rated poorly by Ofsted but were on the way to improving. Under rules set out by the Department for Education (DfE), Local Authorities were permitted to work with providers graded 'Satisfactory' where sufficient spaces could not be secured through 'Good' and 'Outstanding' providers alone.
- 4.16 Although Local Authorities could not use independent quality assessments to determine funding of early years spaces, such assessments had enabled support to be targeted more effectively based on the needs of providers. Providers benefitted from support for the development of policies and procedures, advice and support in preparation for Ofsted inspections and dedicated project workers and linked advisory and inclusion teachers. The service was also working with the council's planning service to introduce requirements for appropriate play spaces to be included for all future planning applications.
- 4.17 Referring to the EPPSE project, Brenda Taggart from the UCL Institute of Education reinforced the importance of quality in early years settings. Poor quality provision was highlighted as being counterproductive and long term exposure to poor settings was more likely to contribute to hyperactivity.

RECOMMENDATION 3:

Support the development of early years hubs to promote good practice through clusters of providers.

5. Primary, Secondary and Post 16 Learning

- 5.1 The education system in England is defined by the National Curriculum which sets standards of learning and assessment. The National Curriculum organises the learning journey into Key Stages. In line with plans laid out by the Department of Education (DfE) in 2007, the school leaving age is set rise to 18 as of September 2015.

Figure 1.1: National Curriculum Key Stages

KEY STAGE	AGE	EDUCATION PHASE
Early Years	2-5 years	Early Years/Reception
Key Stage 1	5-7 years	Primary Education
Key Stage 2	7-11 years	
Key Stage 3	11-14 years	Secondary Education
Key Stage 4	14-16 years	
Key Stage 5	16-19	Further Education

The Education Landscape in England

- 5.2 The Academies Act 2010 facilitated the exponential growth of the academies programme in England. Inspired by the free school system in Sweden, the Act built upon the City Academies programme initiated by the Labour government in 2000 allowing the conversion of existing schools to academy status whilst removing the ability of the Local Authority to create new maintained schools. Between 2010 and March 2015, 4580 primary and secondary schools had converted with a further 871 applications approved or under consideration.⁴
- 5.3 Benefits to schools of conversion to academy status include the direct receipt of funding from the DfE without Local Authority deductions, flexibilities over pay and conditions for staff, the ability to determine the length of school terms and the school day and the ability to opt out of delivering the national curriculum. In March 2015, the Prime Minister, David Cameron committed a future Conservative government to the creation of an additional 500 free schools in England (**Appendix 2**).
- 5.4 The acceleration of the academies programme has resulted in the significant erosion of powers held by Local Authorities in the area of education. Whilst Local Authorities continue to be responsible for securing sufficient diversity and provision for education within their localities their ability to intervene in school affairs has been curtailed significantly.

⁴ DfE Transparency Data: *Open academies and academy projects in development*

Curriculum Reform

- 5.5 Following the election of the coalition government in 2010, the Government published the 'The Importance Teaching' white paper setting out its vision for the 'whole-system' reform of education in England.
- 5.6 Focusing on the development of basic skills across literacy and numeracy, the reforms have resulted in the introduction of a range of changes to testing at Key Stage 2, GCSE and A-Levels. Breaking apart the composite English test at Key Stage 2 to separately assess reading and writing, students are now also tested on Spelling, Punctuation and Grammar (SPaG). Continuing this theme at GCSE and A-Level, as of 2011 students are awarded a maximum of 5% for the correct application of spelling, punctuation and grammar across English Literature, Geography, History and Religious Studies qualifications.
- 5.7 Driving the reform of the National Curriculum and qualifications at Key Stages 4 and 5, students are now required to learn more Shakespeare, develop stronger competencies in spelling and grammar whilst also developing presentation and debating skills. Moving away from creative writing, the revised programmes emphasise formal types of writing with students expected to provide developed answers and employ more frequently extended writing in responses to questions.

6. Primary, Secondary and Post 16 Learning in Tower Hamlets

- 6.1 Introducing the panel to the service, the Service Head for Learning and Achievement highlighted the developments in the education landscape redefining the relationship between schools and local authorities. The function of the Learning and Achievement Service was set out as one of identifying broad themes across schools which can be addressed to lift attainment.
- 6.2 The work of the Learning and Achievement Service in recent years had increasingly shifted towards more academic work around developing the independent learning and research skills of students. Improving attainment in literacy was at the heart of the service and had been for many years.
- 6.3 Setting out the impact of education reform and savings exercises undertaken by the Local Authority, the Head of Learning and Achievement – Birth to Eleven highlighted the challenges faced by the Learning and Achievement Service. Following the removal of the statutory duty on Local Authorities to have in place a School Improvement Partner for each maintained school, the Primary Learning and Achievement Service had seen a reduction in the core workforce from 20 to just 5 members of staff. Changes to the funding of the service, requiring it to generate its own income through traded services to schools, placed additional pressures and restrictions on the range of work the service could undertake.
- 6.4 Although the Secondary Learning and Achievement Service continued to benefit from core funding through the Dedicated Schools Grant, the service was still subject to pressures from changes to education funding, the growth in non-maintained provisions which receive direct funding from the Department for Education (DfE) and the widening of its remit in line with the increase to the school leaving age.

Reading Recovery at Key Stage 1 and 2

- 6.5 Exploring the range of literacy interventions in place at Key Stage 1 and 2, the panel observed and received evidence on the benefits of the Reading Recovery programme from the Headteacher and Reading Recovery teacher at Osmani Primary School.
- 6.6 The programme, originally developed in New Zealand, supported the lowest achieving children at Key Stage 1 to reach expected levels of reading by the end of the programme. Delivered over a 20 week period, students were supported through daily one to one teaching for up to 30 minutes led by a specialist Reading Recovery teacher. Schools delivering the intervention also benefitted from the Reading Recovery teacher contributing to the whole school by sharing good practice with teaching and support staff as well as their specialist expertise in literacy development effective pedagogy.
- 6.7 In 2006 a report published by the KPMG Foundation highlighted the long term cost to the tax payer of addressing poor literacy⁵ as ranging between £44,797 and £53,098 per person, or £1.73bn to £2.05bn per annum. A cost benefit analysis of the Reading Recovery programme by Investing in Children suggested that an investment of £2,668 per child for the delivery of the Reading Recovery

⁵ The report entitled '*The long term costs of literacy difficulties*' monitored the cost of intervention up to the age of 37.

programme generated a total return of £11,004 of which £3,620 was for the taxpayer.

- 6.8 Within Tower Hamlets the programme had demonstrated an average 21 month gain in reading age after 40 hours of individual teaching. Children starting the programme with a reading age of 4 years and 10 months and left with a reading age of 6 years and 7 months on average. In 2013-14, 88% of children going through the programme returned to age-related expectations with the remaining 12% making significant progress.
- 6.9 Although originally funded by the Local Authority, resource constraints had forced it to divest itself from the programme and transfer responsibility to willing partners. In September 2013 the Osmani Primary School assumed responsibility for the programme. In addition to meeting the costs of providing adequate facilities, the school also employs the Reading Recovery teacher responsible for delivering the programme.
- 6.10 Although schools in the Local Authority recognised the long term benefits of the programme, costs associated with recruiting a sufficiently experienced Reading Recovery teacher and the ongoing impact on time, resources and space meant that the number of schools within the borough delivering the programme had declined in recent years. This had forced the school to seek partners outside of the borough to sustain the programme.

RECOMMENDATION 4:

Support the identification of grant streams and corporate sponsors to ensure the continued availability of the Reading Recovery programme in Tower Hamlets.

Embedding Literacy across the Key Stage 3 and 4 Curriculum

- 6.11 Changes to the national curriculum at Key Stages 3 and 4 and the introduction of revised course content for GCSE qualifications had increased the demands on learners to demonstrate an effective grasp of language and literacy across a range of subjects. Assessments increasingly focused on the use of extended writing and there was now greater recognition of using grammar correctly.
- 6.12 The range of subjects on offer as part of the secondary curriculum meant that the teaching of English typically only accounted for 15% of the school timetable. Combined with the lack of ownership for the development of basic skills such as literacy across all subjects, and in many cases the absence of appropriate skills or required confidence amongst subject leaders, this presented a key challenge for schools.
- 6.13 The Headteacher of Swanlea School, Business and Enterprise College set out the need to upskill teachers to support the development of reading, writing and oracy skills across all subjects as a core priority for schools. As part of its staff development initiative, the school has invested to reduce the teaching commitment of staff to facilitate time for professional development and had invested in developing the literacy skills of teaching assistants through formal learning.

RECOMMENDATION 5:

Explore opportunities in conjunction with the Idea Store Learning Service to support the development of higher literacy skills amongst Support Staff in Early Years, Primary and Secondary settings in the borough.

Transitioning from Primary to Secondary Schools

- 6.14 The review panel sought to explore the potential role of transition from primary to secondary schools in affecting the sustainability of progress in literacy, particularly for more delicate learners.
- 6.15 Whilst there had been a huge body of work undertaken by governments to address the issues around transition from primary to secondary schools, there was no single approach to the issue. Within Tower Hamlets however there had been positive work in setting up close partnerships between secondary schools and feeder primaries to enable closer working and support the transition process more effectively for parents and learners.
- 6.16 Responding to the increased national focus on learning outcomes for those aged 16-19 and the impact in facilitating access to higher opportunities, the Local Authority with funding from the Mayor of London had developed a programme to support the development of Academic English amongst learners. The programme, aimed at encouraging learners to speak formally and improve the quality of written communication, had been successful in supporting the transition from Key Stage 4 to 5 and improving outcomes. A similar programme of work was identified as being potentially beneficial to bridging the gap between Key Stage 2 and 3.

RECOMMENDATION 6:

Develop and implement a pilot Academic English programme at Key Stage 3 and assess the impact on learning outcomes.

White British Attainment

- 6.17 Whilst exploring the attainment figures for pupils at the end of Key Stage 4, the panel explored the issue of underachievement amongst White British pupils in the borough. Setting out the disparity in attainment, the Ethnic Minority Officer presented statistical evidence which suggested ethnic minorities such as the borough's Bangladeshi population were meeting national expectations whilst the White British population were typically amongst the lowest 20%.
- 6.18 Attainment in reading and writing at Key Stages 1 and 2 was notably lower amongst this group and by the end of Key Stage 4 the number of pupils leaving with 5 GCSE's including English and Maths was considerably lower. White British students were over-represented on Special Educational Needs (SEN) registers and in Pupil Referral Units across the borough. This over

representation was often more likely to be as a result of behavioural challenges as opposed to learning needs.

- 6.19 The ability to effectively target underachievement amongst White British pupils was restricted due to the lack of funding available, however this had since changed. Effective communication skills was also an issue which typically affected this group of learners and interventions which had been successfully applied amongst other low attaining groups had failed to reverse the trend. Effective use of the pupil premium would prove to be an important resource in addressing the attainment disparity and wider issues which affected learner engagement.
- 6.20 The Head of Primary Learning and Achievement underlined the cyclical nature of underachievement amongst White British pupils with poor aspirations often being passed through generations. Underachievement amongst this group was a long term issue.
- 6.21 In setting out the current initiatives of the Local Authority to address the attainment disparity, the Senior Research Officer explained plans adopted by the Learning and Achievement Service with the support of the council's Corporate Research Unit to undertake a piece of research to better understand themes and trends relating to underachievement amongst White British Students.
- 6.22 Recognising the significant body of work undertaken by the London Borough of Lambeth, the research programme would engage learners in Year 6 and above alongside parents and schools, in addition to analysing attainment data. It is hoped the outcomes of this research will enable the Local Authority to develop approaches to address the attainment gap.

RECOMMENDATION 7:

Make available to the Overview and Scrutiny Committee findings of the commissioned research and relevant action plans to address underachievement amongst White British students.

7. Adult Learning, Policy and Context

Adult Learning in England

- 7.1 The European Commission defines adult learning as, 'all forms of learning undertaken by adults after having left initial education and training, however far this process may have gone'⁶.
- 7.2 Adult learning in the UK typically refers to the acquisition of skills at or below a Level 3 for learners aged 19 and over. Levels of learning in England, Wales and Northern Ireland are measured according to the Qualifications and Credit Framework.

Figure 1.2: QCF Framework

QUALIFICATION LEVELS	ACADEMIC EQUIVALENTS
Pre Entry	N/A
Entry Level 1	5-7 years
Entry Level 2	7-9 years
Entry Level 3	9-11 years
Level 1	GCSE grades D-G
Level 2	GCSE grades A*-C
Level 3	A-Levels
Level 4	HNC/NVQ Level 4

- 7.3 The responsibility for the funding of adult learning in England is managed by the Skills Funding Agency (SFA), an executive agency of the Department for Business, Innovation and Skills (BIS).

Skills for Sustainable Growth

- 7.4 In 2010 the newly formed coalition government announced the launch of a revised strategy setting out the government's skills policy for England. Introduced as the 'Skills for Sustainable Growth', the new strategy reflected the broad objectives of the new government 'to return the economy to sustainable growth, extend social inclusion and social mobility and build the Big Society'⁷, all of which were underpinned by the need to improve skills.
- 7.5 In addition to providing a stronger economic case underpinning the government's skills policy, the revised strategy introduced phased changes to the funding of adult learning programmes.

⁶ *Study on European Terminology in Adult Learning: for a common language and common understanding and monitoring of the sector*, UCL Institute of Education, 2010

⁷ *Skills for Sustainable Growth*, Department for Business, Innovation and Skills, 2010

Figure 1.3: Adult Learning Funding (Post 2010)

LEARNING LEVEL	AGE 19-24	AGE 24+	UNEMPLOYED AND ON BENEFITS
Basic Skills	Fully funded	Fully Funded	Fully Funded
Level 2 (First)*	Fully funded	Co-funded	Fully funded provision for learners with skills barriers to employment aged 23 and under and below Level 3. Loans for those aged 24+ on courses at Level 3 and above.
Level 2 (Retraining)*	Co-funded	Co-funded	
Level 3 (First)*	Fully Funded	Loans	
Level 3 (Retraining)*	Co-funded	Loans	
Level 4*	Co-funded	Loans	

*Excludes literacy, numeracy and ESOL programmes

- 7.6 Under current funding arrangements learners are entitled to a range of concessions including full or partial funding whilst pursuing their first qualification. Continuing policy established under the 'Skills for Life' Strategy in 2001, provision for free literacy and numeracy qualifications up to and including Level 2 and entry level ICT programmes continues to be available to those with skills below the set thresholds regardless of age or income status.
- 7.7 The Skills for Sustainable Growth strategy also introduced further reform to funding of ESOL programmes. Building on the 2006 reform of ESOL funding which introduced eligibility criteria for fee remissions the new policy adopted a number of changes to ESOL funding. These included;
- Further limiting full fee remission to people claiming Job Seekers' Allowance (JSA) or Employment Support Allowance (ESA)
 - Removing full fee remission from people on a range of other benefits, including Working Tax Credits, Housing Benefit, Income Support, Council Tax and Pension Credits
 - Reducing the programme weighting factor affecting funding
 - Ending funding for ESOL in the workplace.
- 7.8 As of the 2013/14 academic year, funding rules set out by the Skills Funding Agency (SFA) moved to a single rate funding model as opposed to payment by the number of learning hours delivered. This shift from enabling institutions to claim for up to 450 learning hours to attracting a single rate regardless of the duration of the programme has impacted on the delivery models adopted by course providers.

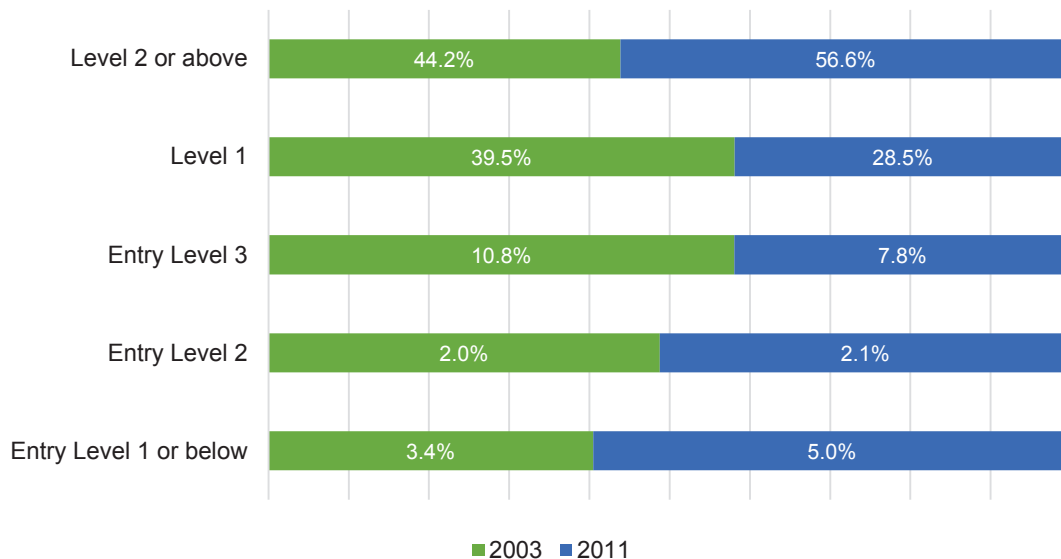
Adult Literacy in England

- 7.9 The National Literacy Trust suggests that those with a reading age at or below that of an 11 year old would be deemed functionally illiterate.
- 7.10 In 1998, responding to growing concerns over the decline of functional skills amongst adults in England, the government commissioned Baron Moser to

report on the scale of the issue. The resulting report entitled ‘A Fresh Start – improving literacy and numeracy’⁸ identified that approximately 20% of the adult population in England lacked basic functional skills.

- 7.11 Responding to the findings and recommendations of the Moser report, the Government in 2001 launched the Skills for Life Strategy aimed at addressing the skills deficit. The strategy aimed to improve the literacy and numeracy skills of 2.25 million adults by 2010 and reach a milestone of 1.5 million learners by 2007.
- 7.12 The 2011 Skills for Life Survey highlighted that the number of individuals possessing a Level 2 qualification in literacy had increased since the 2003 survey. Despite the notable increase in the number of adults possessing a Level 2 qualification in literacy, the growth in high performers largely reflected improvements to progression for learners at Level 1.

Figure 1.4: Adult Literacy Levels in England, 2003 and 2011



- 7.13 The number of people reporting their first language as being other than English however had increased from 7% to 11% contributing to the increase in the number of people identified as being at or below Entry Level 1. Overall, 15% of the adult population in England continue to be functionally illiterate.

Delivering Adult Learning in Tower Hamlets

- 7.14 In 1999, Tower Hamlets Council introduced the concept of the Idea Stores, setting out a vision to invest in library services during a time of declining investment in the sector.
- 7.15 Since the launch of the concept and the first Idea Store in Bow in 2002, 4 other stores have opened across the borough with the most recent addition to the portfolio in May 2013. The spaces which offer users access to library, learning

⁸ *Improving Literacy and Numeracy, A Fresh Start* : www.lifelonglearning.co.uk/mosergroup/index.htm

and information had attracted 2.3 million visits over the course of the last financial year with the flagship Whitechapel Idea Store currently ranked as one of the busiest libraries in Central London.

- 7.16 In 2010 the council merged its lifelong learning provision with the Idea Stores service as part of realising the vision of delivering an integrated offer. The 2015 refresh of the strategy which governs the priorities of the service will include a focus on work around digital inclusion, health and wellbeing, employability and universal services.
- 7.17 Annually the Idea Store Learning Services delivers in excess of 1000 courses and attracts £2.8 million in funding from the Skills Funding Agency each year. In 2013 the quality of teaching and learning delivered by the service was graded as 'Good' by Ofsted.

Adult Literacy in Tower Hamlets

- 7.18 The 2011 Census showed that Tower Hamlets had one of the fastest growing populations in the country. Reporting a total population of 254,096, 69% identified themselves as belonging to a Black or Minority Ethnic group (BME).
- 7.19 In responding to questions on language, 34% responded as using another language other than English as their main language and 8% reported poor or no fluency in spoken English, the second highest rate nationally.
- 7.20 The 2011 Skills for Life Survey highlighted that 21.5% of the population in the borough reported literacy skills below a Level 1. This figure, the second highest in the country places one in every five people in the borough in the category of functionally illiterate. **(Appendix 3)**
- 7.21 Comparing the 2011 Skills for Life Survey and the Census data indicates that whilst approximately 8% of the borough's population reported limited or no grasp of the English Language, a higher proportion reported literacy levels below Level 1 highlighting a wider prevalence of poor literacy levels amongst residents with a degree of fluency in the English Language. The absence of disaggregated statistics from the Skills for Life Survey makes the assessment of functional illiteracy amongst those with a previous learning experience in the UK difficult.

8. Adult Learning in Tower Hamlets

Delivering Universal Services

- 8.1 The Head of Idea Store highlighted that the service had taken a number of steps to support the delivery of universal services including hosting health outreach workers at the Idea Stores and developing strong cross council links to facilitate a smoother transition for users seeking access to other services. Staff also had access to joint training held with other areas within the council.
- 8.2 To further support the objective of delivering universal access the service had invested in the development of a triage tool aimed at capturing data and allowing for users to be directed more precisely to relevant services. The tool would undergo a pilot testing period at two of the major Idea Stores in Whitechapel and Chrisp Street Market.

RECOMMENDATION 8:

Undertake a review of the successes of the Triage tool at the end of Year 1 and report findings to the Overview and Scrutiny Committee.

English for Speakers of Other Languages (ESOL)

- 8.3 The Deputy Head of Idea Store Learning reiterated that approximately 21.5% of the borough's adult population had a literacy level below Level 1 and this was not restricted to those who were unemployed. For those in work the lack of adequate levels of literacy presented a barrier to progression. The delivery of ESOL programmes had been a dominant feature of the service's offering in recent years due to the scale of need. However there was also a recognition that there was a need for a broader approach to literacy in the borough.
- 8.4 The demand for ESOL learning continues to be significant with approximately 700 learners supported through ESOL programmes each year approximately. This represents 41% of the total budget and 37% of teaching time for the Idea Store Learning Service. The service did not have the necessary resources to facilitate greater access due to the scale of the demand. The time and resource implications of delivering ESOL programmes were further magnified due to lower levels of - and in some instances no previous - education amongst many learners.
- 8.5 The service had enhanced the ESOL curriculum through a stronger focus on reading and writing in addition to speaking and listening to facilitate learner progression on to higher level programmes. The curriculum was also designed to ensure learners were able to develop health and digital literacy. This work was supplemented through competitions to encourage writing and reading for pleasure.
- 8.6 In addition to delivering learning through the Idea Stores themselves, the service had developed partnerships with Children's Centres and schools in the borough to target hard-to-reach groups.

The Chair queried how funding changes affected the delivery of programmes, in particular contributing to the facilitation of accredited learning outcomes without developing functioning operational skills.

- 8.7 In accepting the need for learners to demonstrate outcomes, the Deputy Head of Idea Store Learning emphasised the role of ensuring an appropriate range of accredited and unaccredited learning to meet learning needs. Of the £2.8 million received each year from the Skills Funding Agency (SFA), £450,000 was used to support accredited learning. There was however a need for further investment in literacy and numeracy programmes to support demand.

Addressing Stigma

- 8.8 Officers recognised the stigma learners are likely to face in acknowledging deficiencies in their levels of literacy. Highlighting the initiatives of the service, the Assistant Programme Manager for Skills for Life introduced the family literacy programme which was specifically designed to target learners not prepared to access programmes through the Idea Stores. Offering accredited and non-accredited learning, the programme helped to develop skills around practical scenarios such as visiting the GP. In addition to this programme the service had renamed a number of their courses to make them more inviting and had in place an assessment system which captured 90% of all users which allows for literacy and numeracy needs to be assessed without a declaration from the learner.
- 8.9 However, many residents still did not recognise the value added by improved literacy and numeracy skills, and instead found ways of coping without them, which made engagement far more challenging. Despite having access to a wide range of data, the full range of literacy needs in the borough remained an unmapped area.
- 8.10 There review panel recognised ongoing work to refresh the Local Authority's Community Plan setting out the priorities for the next 5 years. Developing literacy skills would be a key tool to support the council achieve its vision to create a resilient community in the face of declining resources.

Health and Literacy

- 8.11 Recognising the broader implications presented by poor literacy levels, the review panel sought to explore the role played by other services within the council in promoting literacy amongst Adults.
- 8.12 The Director for Public Health explained that Health Literacy was a recognised challenge. For example, a 2014 report by the Royal College of General Practitioners had highlighted that 43% of UK adults failed to fully understand information which contained text, including signs in hospitals, leaflets and health guides.⁹ Within Tower Hamlets the late detection of cancer and poor outcomes had highlighted the potential barriers presented by inadequate literacy in supporting effective primary care.

⁹ 'Half of all patients find health advice too complicated', Royal College of General Practitioners, 18th June 2014

- 8.13 In September 2014, Public Health England alongside UCL's Institute of Health Equity produced a report setting out the health benefits of adult literacy. Drawing together existing research the report concluded that 'adult learning can have indirect benefits by improving social capital and connectedness, health behaviour, skills, and employment outcomes, each of which affect health. There is also some evidence that adult learning has direct positive effects for mental health.'¹⁰
- 8.14 In Tower Hamlets, the Public Health service had taken initiatives to develop health literature on common long term health conditions such as diabetes, cancer and mental health to enable greater accessibility for learners with poor literacy. These materials had been distributed through the Idea Stores and embedded in ESOL curriculums and also through registered social landlords.
- 8.15 There was an acknowledgement that despite this investment, little work had been undertaken to assess the impact of the developed literature in improving the patient experience and their experience of health services, and that this was now necessary to help understand the current extent of health literacy.

RECOMMENDATION 9:

Undertake a review of health literature developed to support those with poor literacy and assess the impact on the patient experience and the success in affecting the management of health conditions. The findings of this review are to be reported to the Council's Overview and Scrutiny Committee.

RECOMMENDATION 10:

That Healthwatch Tower Hamlets undertake a research project to scope existing work on health literacy in the borough and its impact on the health of local residents and identify areas for improvements. The findings of this report are to be reported to the Council's Health Scrutiny Panel and the Overview and Scrutiny Committee.

- 8.16 As part of improving patient engagement to fully reflect patient needs, work had been undertaken to engage the local Clinical Commissioning Group as well as developing care packages to offer structured needs based support to service users. More work however was needed in explicitly recognising health literacy as a strategic issue across the council and in key plans such as the council's Health and Wellbeing strategy.

RECOMMENDATION 11:

Include improving Health Literacy as a strategic issue in the development of the new of the Health and Wellbeing Strategy in 2016/17.

- 8.17 The review panel also discussed the possible role of health settings in identifying and supporting learners with literacy needs. The Interim Director for Public Health was asked to consider whether the triage tool developed by the Idea Stores Service could be embedded within health settings in the borough.

¹⁰ *Local action on health inequalities*: Public Health England , September 2014

RECOMMENDATION 12:

Explore the use of the triage tool developed by the Idea Store service within health settings across the borough.

Appendix 1: Structure Chart – Learning & Achievement



Appendix 2: Types of Schools in England

SCHOOL	POWERS
Local Authority Maintained	Under Local Authority Control
Academy	Receives direct funding from DfE. Free of Local Authority control with flexibilities over term dates, school day, staffing and implementation of the National Curriculum.
Free School	Established by parents, teachers or business. Has identical powers as Academies.
Voluntary Aided	Schools supported by the Church of England or Roman Catholic Church. Operates with a faith ethos and is operated under the influence of respective Churches.
Foundation Trusts	Operated by Trusts formed in partnership with outside bodies. Has more flexibilities compared to maintained schools.
University Technical Colleges (14-19)	Led by sponsor universities. Offers a technical education for students aged 14-19. Free of Local Authority control.

Appendix 3: 2011 Skills for Life Survey

WARD	BELOW LEVEL 1 LITERACY	LEVEL 1 AND ABOVE LITERACY
Bethnal Green North	22.4%	77.6%
Bethnal Green South	22.9%	77.1%
Blackwall and Cubitt Town	17.5%	82.5%
Bow East	21.2%	78.8%
Bow West	17.0%	83.0%
Bromley-by-Bow	26.6%	73.4%
East India and Lansbury	26.3%	73.7%
Limehouse	21.4%	78.6%
Mile End and Globe Town	21.9%	78.1%
Mile End East	24.3%	75.7%
Millwall	15.5%	84.5%
St Dunstan's and Stepney Green	24.4%	75.6%
St Katharine's and Wapping	15.2%	84.8%
Shadwell	22.9%	77.1%
Spitalfields and Banglatown	21.8%	78.2%
Weavers	23.3%	76.7%
Whitechapel	20.9%	79.1%
AVERAGE	21.5%	78.5%

Agenda Item 7.3

Committee: Overview & Scrutiny	Date: 12 May 2015	Classification: Unrestricted	Agenda Item: 7.3
Report of: Louise Russell, Service Head for Corporate Strategy and Equality Originating officer(s) Shamima Khatun; Strategy, Policy and Performance Officer Corporate Strategy and Equality		Title: How the Council, Police and Social Landlords promote the reporting of incidents of drug dealing, drug taking and related ASB in communal spaces and communicate the outcome of this reporting Wards Affected: ALL	

1. **EXECUTIVE SUMMARY**

- 1.1 This report presents the Overview and Scrutiny Committee with a summary of the findings of a Scrutiny Review into how the council, police and social landlords promote the reporting of incidents of drug dealing, drug taking and related ASB in communal spaces and communicate the outcome of this reporting. It sets out a number of recommendations to improve practice and performance in this area.

2. **RECOMMENDATIONS**

- 2.1 Overview and Scrutiny Committee is recommended to:
- Agree the draft report and the recommendations contained within it for submission to Cabinet; and
 - Authorise the Service Head for Corporate Strategy and Equality to amend if necessary the draft report before submission to Cabinet, after consultation with the Scrutiny Review chair.

3. **BACKGROUND**

- 3.1 Anti-social behaviour is a key issue of public concern. During the period 2013 to 2015, the Metropolitan Police Service recorded 38,030 calls in Tower Hamlets reporting anti-social behaviour.¹ Results from the council's Annual Residents Survey (ARS) in 2014 show that the level of concern over people using or dealing drugs is considered a *very or fairly big problem* by 59 per cent of residents – up 4 points on the previous year.
- 3.2 Resident perceptions regarding how successfully the police and other local public services deal with ASB issues in their local area is relatively positive overall. 51 per cent of the residents surveyed in the ARS in 2014 agreed that the police and local agencies were successful in resolving this issue; 21 per cent disagreed and 28 per

¹ Disaggregated data on drugs related ASB reported is not available.

cent neither agreed nor disagreed, or did not know. This is a similar picture to previous years.

- 3.3 Tackling ASB, and perceptions of ASB, is a council priority. Activity in this area has been stepped up through additional enforcement services, and targeted work carried out by the council's Youth Service which works with over half of the young population to engage them in positive activities. However, selling of drugs, drug misuse and related ASB in communal spaces remains a recurring issue raised by residents at Members' surgeries and in their casework.
- 3.4 Some Members have expressed concern that advice and promotional information from the various agencies on reporting these issues can be confusing. Furthermore, residents who do report incidents are often unaware of the outcome of their reporting. This lack of communication on outcomes may also be a contributory factor of underreporting of ASB in the borough. It is not always clear to residents what the role of social landlords is in dealing with incidents of drugs related ASB in neighbourhoods.
- 3.5 The scrutiny review focused on assessing existing arrangements and explored ways to improve communications and engagement activity.
- 3.6 The review was underpinned by three core questions:
 - a) What are the current arrangements for residents to report drug dealing, drug taking and related ASB taking place in communal spaces?
 - b) How do the various agencies communicate the outcome of reporting drugs incidents and related ASB?
 - c) How can we improve residents' confidence in the reporting of drug dealing, drug taking and related ASB?
- 3.7 The report of the scrutiny review is attached as Appendix A. It provides a summary of the findings of the Review Group and makes six recommendations to improve practice in this area. Whilst the review took as its initial focus incidents of drug dealing, drug taking and related ASB in communal spaces, the findings and recommendations of the review are relevant to improving ASB reporting and communications more generally.
 1. The council, through the relevant Community Safety Partnership (CSP) sub-group - the ASB Strategy Group, brings together the police, Social Landlords (SLs) and other partners to:
 - A) Develop a clear shared statement as to what qualifies as ASB, and how a resident should report ASB which is consistent across the borough and SL areas
 - B) Agree a minimum standard in terms of how partnership organisations will report back on the outcomes of ASB reporting (individual incidents, at an area / estate level and borough wide)

- C) Reiterate the commitment that all SLs should encourage residents to report ASB through the 101 line so that there is a more comprehensive borough-wide understanding of ASB reporting across partners.
2. The council, through the CSP ASB Strategy Group, oversees a renewed partnership promotional campaign to encourage ASB reporting. The campaign should:
 - A) Include strong police and social landlord involvement
 - B) Be informed by the experience of the 101 reporting campaign undertaken in 2013
 - C) Include a focus on the reporting of drug-related ASB
 - D) Reiterate a clear message on how residents report ASB which is consistent across the borough and SLs.
 3. The council, through the relevant CSP sub-group – the Registered Social Landlord (RSL) ASB Forum – brings together housing providers to explore implementation of a consistent approach to ASB surveying which supports robust benchmarking across SLs, including the identification of good practice and areas / SLs requiring improvement.
 4. The council, through the RSL ASB forum, investigate a pilot approach to ‘Participatory Appraisal Training’, in order to support residents to challenge local agencies and shape the approach to tackling anti-social behaviour.
 5. The allocation of any youth service grants which primarily aim to reduce ASB activity, should be informed by 101 data on the reporting of ASB incidents.
 6. The council, through the CSP ASB Strategy Group, brings together the police and housing partners to consider how best the partnership can provide a good service in the context of reducing resources, including exploring social media and new technology to both promote ASB reporting to 101 and feeding back on ASB reports.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 There are no direct financial implications as a result of the recommendations to Overview and Scrutiny Committee which are detailed in section 2.1 above.
- 4.2 However, should Overview and Scrutiny Committee agree to put forward to Cabinet the six recommendations detailed in section 3.7 above, Cabinet will need to consider the financial implications of these recommendations and allocate specific resources if required.

- 4.3 It is likely that the changes proposed in section 3.7 can be delivered through existing resources. However, should additional funding be required, approval will need to be sought through the Councils financial procedures.

5. LEGAL COMMENTS

- 5.1 Under section 19 Police and Justice Act 2006 the Council must ensure that its Overview and Scrutiny Committee has power to make reports or recommendations to the local authority in relation to the crime and disorder functions discharged by the Council and the other 'responsible authorities' (probation, police and fire services and the Clinical Commissioning Group). The functions of those bodies are set out in the Crime and Disorder Act 1998 and involve formulating and implementing strategies to reduce crime and disorder, drug and substance misuse and re offending in the area. Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee has the power to make reports or recommendations to the Council's executive (Cabinet).
- 5.2 In fulfilling their crime and disorder functions, the Council and the other responsible authorities and additional bodies as defined in regulations (including Registered Social Landlords) have a duty to cooperate. Where this Committee reports to the Cabinet, the Committee must provide a copy of the report to the responsible authorities and the bodies with which they cooperate, and those responsible authorities/bodies must consider the report and recommendations, have regard to it in the exercise of their functions, and respond to the Overview and Scrutiny Committee, indicating what action if any they propose to take
- 5.3 The Council, together with its partners, has various statutory duties and powers in relation to crime and disorder and the misuse of drugs as set out in the Crime and Disorder Act 1998, the Anti-social Behaviour Act 2003 and the Anti-social Behaviour Crime and Policing Act 2014.
- 5.4 Under sections 6 and 7 of the Crime and Disorder Act 1998 the Council and its statutory partners have a duty to formulate and implement strategies for the reduction of crime and disorder, the misuse of drugs, alcohol and other substances and for reducing re offending in the area.
- 5.5 Under section 17 Crime and Disorder Act 1998 it is the duty of the Council to exercise its functions with due regard to the effect on and the need to do all it can reasonably do to prevent crime and disorder, misuse of drugs and other substances, and re offending in its area.

- 5.6 The Anti-social Behaviour Act 2003 requires housing authorities, housing trusts and Registered Social Landlords to prepare anti- social behaviour policies and procedures.
- 5.7 The Anti-social Behaviour Crime and Policing Act 2014 ('2014 Act') also introduces new powers for managing anti- social behaviour, including housing related powers, criminal behaviour orders and premises closure notices. The 2014 Act defines anti-social behaviour and this should guide, or be reflected, in any definition set out any in any policies, statements or promotions prepared by the Council and other agencies.
- 5.8 In relation to the recommendation that allocation of youth service grants being informed by 101 data, such arrangements may require revision or amendment to the award evaluation criteria.
- 5.9 Under the Equality Act 2010 the Council has a duty, when exercising its functions to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who have a protected characteristic and those who do not. It is proposed that the 101 telephone line be promoted as the preferred route for reporting anti- social behaviour for the reasons set out in the report. However, other methods of reporting remain available, and accordingly access is available to all persons.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 Issues of anti-social behaviour (ASB) can affect anyone irrespective of gender, sexuality, disability, age, class, religion or ethnicity. Fear of anti-social behaviour and crime is often higher for protected groups and access to ASB service(s) including reporting needs to be widely advertised to reach diverse communities, as there is a risk that 'hard to reach groups' or communities may feel isolated, unsure or unaware of the procedure for reporting anti-social behaviour. This scrutiny review makes a series of recommendations which aim improve ASB reporting and communications.

7. BEST VALUE IMPLICATIONS

- 7.1 The Scrutiny Review supports the Best Value duty by setting out a number of recommendations which aim to secure improvement, informed by consideration of economy, efficiency and effectiveness.

For example, the report recommends that existing partnerships be utilised to encourage the promotion of reporting anti-social behaviour through a single route according to national guidance, which is the police non-emergency 101 reporting line. The report also recommends that local organisations come together to consider how best to provide a good service in the context of reducing resources.

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

1. Presentation from **LBTH Safer Communities Service**. Drug related ASB. Shamima Khatun ext. 3890
Shamima.Khatun@towerhamlets.gov.uk
2. Presentation from **Tower Hamlets Homes**. LBTH ASB Scrutiny Review. Shamima Khatun ext. 3890
Shamima.Khatun@towerhamlets.gov.uk
3. Presentation from **One Housing**. Tower Hamlets Council, ASB Scrutiny Review: Engaging with residents to increase reports of anti-social behaviour (ASB). Shamima Khatun ext. 3890
Shamima.Khatun@towerhamlets.gov.uk
4. Presentation from **Tower Hamlets Homes**. Reporting Anti-Social Behaviour: Poplar HARCA's Approach. Shamima Khatun ext. 3890
Shamima.Khatun@towerhamlets.gov.uk

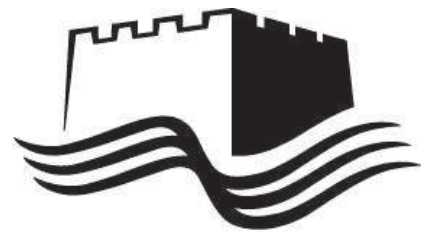
8. **APPENDICES**

Appendix 1 – Scrutiny Review Report: How the Council, Police and Social Landlords promote the reporting of incidents of drug dealing, drug taking and related ASB in communal spaces and communicate the outcome of this reporting

APPENDIX ONE

How the Council, Police and Social Landlords promote the reporting of incidents of drug dealing, drug taking and related ASB in communal spaces and communicate the outcome of this reporting

Scrutiny Report



TOWER HAMLETS

**London Borough of Tower Hamlets
April 2015**

Chair's Foreword

Month after month, Tower Hamlets appears second in the list of London boroughs with the highest rate of reported anti-social behaviour (ASB). The casework belonging to councillors often reflects this.

The police along with the council and social landlords have a duty to work in partnership to resolve this persistent problem. Feedback from the various agencies involved suggests that the local partnership model is working. However, residents and councillors often report that this multi-agency approach can sometimes lead to confusion. For example, some residents' notice boards in the borough can have three different posters explaining the routes available to report anti-social behaviour.

The reporting of ASB becomes more confusing when this behaviour is caused by drug abuse because of the crossover into criminal activity. Residents are also often unsure which agency is the first port of call.

Even though the scope of this work was to look into the reporting of drug related ASB, the review focused on how ASB overall is reported, including how the outcome of this reporting is then communicated to residents. Since many cite that they have not been updated on the actions taken by agencies, nor have any knowledge of how problems have been resolved.

The review makes six recommendations to improve partnership working in Tower Hamlets with the aim to reduce this confusion.

I would like to thank representatives from the Metropolitan Police Service, council officers, Tower Hamlets Homes, One Housing Group, Poplar HARCA and the residents who participated in the workshop session.

Cllr John Pierce

Summary of Recommendations

Recommendation 1

The council, through the relevant Community Safety Partnership (CSP) sub-group - the ASB Strategy Group, brings together the police, Social Landlords (SLs) and other partners to:

- A) Develop a clear shared statement as to what qualifies as ASB, and how a resident should report ASB which is consistent across the borough and SL areas
- B) Agree a minimum standard in terms of how partnership organisations will report back on the outcomes of ASB reporting (individual incidents, at an area / estate level and borough wide)
- C) Reiterate the commitment that all SLs should encourage residents to report ASB through the 101 line so that there is a more comprehensive borough-wide understanding of ASB reporting across partners.

Recommendation 2

The council, through the CSP ASB Strategy Group, oversees a renewed partnership promotional campaign to encourage ASB reporting. The campaign should:

- A) Include strong police and social landlord involvement
- B) Be informed by the experience of the 101 reporting campaign undertaken in 2013
- C) Include a focus on the reporting of drug-related ASB
- D) Reiterate a clear message on how residents report ASB which is consistent across the borough and SLs.

Recommendation 3

The council, through the relevant CSP sub-group – the Registered Social Landlord (RSL) ASB Forum – brings together housing providers to explore implementation of a consistent approach to ASB surveying which supports robust benchmarking across SLs, including the identification of good practice and areas / SLs requiring improvement.

Recommendation 4

The council, through the RSL ASB forum, investigate a pilot approach to 'Participatory Appraisal Training', in order to support residents to challenge local agencies and shape the approach to tackling anti-social behaviour.

Recommendation 5

The allocation of any youth service grants which primarily aim to reduce ASB activity, should be informed by 101 data on the reporting of ASB incidents.

Recommendation 6

The council, through the CSP ASB Strategy Group, brings together the police and housing partners to consider how best the partnership can provide a good service in the context of reducing resources, including exploring social media and new technology to both promote ASB reporting to 101 and feeding back on ASB reports.

1 Introduction

- 1.1 Anti-social behaviour is a key issue of public concern. In 2010/11, over three million incidents of anti-social behaviour were reported to the police in England and Wales. Many more were reported to other local agencies such as local councils, and housing associations, or not reported at all.¹
- 1.2 During the period 2013 to 2015, the Metropolitan Police Service recorded 38,030 calls in Tower Hamlets reporting anti-social behaviour.² Results from the council's Annual Residents Survey (ARS) in 2014 show that the level of concern over people using or dealing drugs is considered a *very or fairly big problem* by 59 per cent of residents – up 4 points on the previous year.
- 1.3 Resident perceptions regarding how successfully the police and other local public services deal with ASB issues in their local area is relatively positive overall. 51 per cent of the residents surveyed in the ARS in 2014 agreed that the police and local agencies were successful in resolving this issue; 21 per cent disagreed and 28 per cent neither agreed nor disagreed, or did not know. This is a similar picture to previous years.
- 1.4 Tackling ASB, and perceptions of ASB, is a council priority. Activity in this area has been stepped up through additional enforcement services, and targeted work carried out by the council's Youth Service which works with over half of the young population to engage them in positive activities. Tower Hamlets has also increased funding in its CCTV control room to support better handling of ASB reports.
- 1.5 However, selling of drugs, drug misuse and related ASB in communal spaces remains a recurring issue raised by residents at Members' surgeries and in their casework. Some Members have expressed concern that advice and promotional information from the various agencies on reporting these issues can be confusing. Furthermore, residents who do report incidents are often unaware of the outcome of their reporting. This lack of communication on outcomes may also be a contributory factor of underreporting of ASB in the borough. It is not always clear to residents what the role of social landlords is in dealing with incidents of drugs related ASB in neighbourhoods.
- 1.6 The scrutiny review focused on considering how the council, the police and SLs promote the reporting of drugs incidents and related ASB in communal spaces, and how they communicate the outcome of this reporting. For the purpose of this review, Social Landlords were invited to participate, including Tower Hamlets Homes (an arm's length organisation which manages the council's housing stock), Poplar HARCA and One Housing.
- 1.7 The aim of the review was to assess existing arrangements and explore ways to improve communications and engagement activity.
- 1.8 The review was underpinned by three core questions:

¹ Home Office (2012). *Focus on the victim: Summary report on the ASB call handling trials.*

² Disaggregated data on drugs related ASB reported is not available.

- a) What are the current arrangements for residents to report drug dealing, drug taking and related ASB taking place in communal spaces?
- b) How do the various agencies communicate the outcome of reporting drugs incidents and related ASB?
- c) How can we improve residents' confidence in the reporting of drug dealing, drug taking and related ASB?

1.9 The review was chaired by Cllr John Pierce, over the course of two sessions in March and April 2015. A resident workshop³ was held at the Whitechapel Idea Store and a professionals and stakeholders session at Mulberry Place.

1.10 Other members of the Review Group included Nozrul Mustafa, a Parent/Governor Co-opted Member of the Overview & Scrutiny Committee.

1.11 The review was supported by Shamima Khatun, Strategy, Policy and Performance Officer; LBTH.

1.12 The Review Group received evidence from a range of members, officers and experts including;

Cllr Ohid Ahmed	Cabinet Member for Community Safety
Andy Bamber	Service Head, Community Service LBTH
Emily Fieran-Reed	Head of Community Safety Partnership, Domestic Violence & Hate Crime LBTH
Kevin Jones	Interim Director of Neighbourhoods at Tower Hamlets Homes and Chair of the RSL Anti-Social Behaviour Forum
Jamie Lock	Assistant Director of ASB, Poplar HARCA
Kiera Curran	Anti-Social Behaviour Manager, One Housing Group
Mark Long	Chief Inspector and Co-Chair of ASB Operations Group, Metropolitan Police
Paul Dunn	Chair of London ASB Managers Group
Yvette Holmes	ASB Manager, Tower Hamlets Homes
Fokrul Hoque	Chair of the Safer Neighbourhood Board

1.13 The agenda for the professionals and stakeholders session included an introduction to the key issues under review by Cllr John Pierce followed by presentations and discussion on a range of concerns.

³ Please note that this list of review participants is not exhaustive and does not include residents who did not wish to give their details.

2 Background

National profile of ASB reporting model(s)

- 2.1 Across England, '101' – the police non-emergency number - is promoted as the main route to report instances of anti-social behaviour experienced to local police. It is also possible to contact the police in person, by attending the front office of a local police station, or by attending local neighbourhood tasking meetings, which enable members of the community to meet with local officers to discuss issues of concern and influence local policing priorities.

Inner London profile of ASB reporting

- 2.2 Local authorities in inner London have promoted the following reporting routes:
- Police switchboard 101 the non-emergency number which is available 24 hours a day
 - Via local wards policing officer(s) / Safer Neighbourhood Teams (SNTs)
 - Police online reporting system (captured on 101)
 - Through partner agencies, including Social Landlords
 - Directly to local authorities

Good Practice on ASB call handling

- 2.3 The term 'anti-social behaviour' was defined in law in the 1998 Crime and Disorder Act, to describe the everyday nuisance, disorder and crime that mattered to local people but which many police forces and partner agencies were not prioritising. The definition was accompanied by civil powers such as the Anti-Social Behaviour Order (ASBO), which were intended to provide an alternative to criminal prosecution in cases where it was difficult to prove that a crime had been committed, or where victims were afraid to give evidence against their neighbours.
- 2.4 In September 2010, Sir Denis O'Connor, Her Majesty's Chief Inspector of Constabulary (HMIC), published 'Stop the Rot'; his review of the way the 43 police forces in England and Wales respond to anti-social behaviour. He reported that there had been significant improvements, that all forces list anti-social behaviour as a strategic priority, and that neighbourhood policing in particular can make a big difference when done properly. However, anti-social behaviour is still the crime and policing issue that matters most at a local level and remains one of the most common incident types.
- 2.5 The Association of Chief Police Officers (ACPO) published a report in 2012 titled 'Focus on the Victim: Summary Report on the ASB Call Handling Trials' after extensive trials conducted by eight volunteer forces which included the Metropolitan Police Service. This work represented a 'bottom-up' effort to shift practitioners' focus from logging types of anti-social behaviour, to protecting victims and communities from harm.

- 2.6 The work carried out by the eight forces identified five core principles at the heart of a more effective approach to dealing with anti-social behaviour, focused on harm to the victim or community, rather than categorising the behaviour itself. Four of these principles pertain to how practitioners with responsibility for addressing the problem need to have a clear knowledge and understanding of the importance of effective intelligence gathering and analysis of ASB data. They are:
- An effective call handling system for anti-social behaviour incidents, logging information from the first point of contact so that repeat callers and high-risk cases are flagged up;
 - Using simple, 'off-the-shelf' IT to share information between local agencies and enable a more joined-up approach to protecting victims at risk;
 - All agencies dealing with anti-social behaviour in an area having a shared set of case management principles; and
 - A robust community engagement process to identify issues which are causing the most harm to individuals and neighbourhoods, and how the police, other local agencies and the public can work together to address them.
- 2.7 The significance of recording and categorising ASB was expounded upon in 2010, when Her Majesty's Inspectorate of Constabulary (HMIC) undertook a review to determine how well police forces understood and responded to their local ASB problems and published its findings in the report: 'A Step in the Right Direction: The policing of anti-social behaviour'. More than 5,500 members of the public who had recently reported ASB to the police were surveyed (taking a sample from each force area), to find out about their experiences. The report highlighted the importance of increasing effective intelligence gathering and analysis of ASB data as key to the Police Service getting as true a picture as possible of the extent and nature of the problem in localities.

Local partnership working

- 2.8 The Tower Hamlets Community Safety Partnership (CSP) is a multi-agency strategic group set up following the Crime and Disorder Act 1998. The partnership approach is built on the premise that no single agency can deal with, or be responsible for dealing with, complex community safety issues and that these issues can be addressed more effectively and efficiently through working in partnership.
- 2.9 The Community Safety Partnership is one of 4 Community Plan Delivery Groups which are held responsible by the Partnership Executive⁴ for delivering the priorities contained within the Community Plan. The CSP is made up of both statutory agencies and co-operating bodies within the borough. The statutory agencies are:
- Tower Hamlets Police
 - London Borough of Tower Hamlets

⁴ The Tower Hamlets Partnership includes the council, the police, the Clinical Commissioning Group, Barts Health, Job Centre Plus, as well as other public sector organisations, and representatives of the voluntary and community sector and businesses.

- National Probation Service
- Hackney, City of London and Tower Hamlets Community Rehabilitation Company (CRC)
- London Fire Brigade
- NHS Tower Hamlets Clinical Commissioning Group

2.10 The above are supported by other local agencies from both the Public and Voluntary Sectors. Social Landlords have a key role to play in addressing crime and disorder in their housing estates and these are represented by the Chair of the RSL ASB Forum, a sub-group of the Tower Hamlets Housing Forum. Victims and witnesses of crime and disorder are represented on the CSP by Victim Support. The extensive network of voluntary organisations within the borough, are represented by the Chief Executive of Tower Hamlets Council for Voluntary Services. The council's third sector team are also invited.

ASB reporting arrangements in Tower Hamlets

2.11 A key step in the Home Office and national partners' commitment to cut crime and empower citizens to keep their neighbourhoods safe, is to make it easier to contact the police and report crime and disorder. In January 2012, the national roll-out of the '101' non-emergency number was completed, marking a significant step forward in the Government's ambition to reconnect the police and public. The introduction of the '101' number gives the public across England and Wales one easy and memorable number to contact their local police force for crimes and concerns that do not require an emergency response.

Following the national guidance highlighted above, the council made a decision that the responsibility to tackle ASB in the borough would be primarily through a single reporting channel – the police non-emergency 101 reporting line - and discontinued the promotion of other reporting routes previously in operation. This approach involved a shift from multiple reporting routes that covered a range of ASB areas and services including noise nuisance, hate crime, graffiti removal and numerous SL/SNT contact numbers – not all of which were formally recorded - to a central reporting line. To this end, the council launched a promotional campaign in 2013 advocating this service through a number of communication channels which included issuing '101' calling cards, '101' success case study leaflets and publicising in the borough's community newspaper 'East End Life' and through advertisements in BME press.

2.12 While most ASB calls are dealt with by police officers responding to reports logged by the '101' service, there remain alternative methods through which residents may in fact report ASB, including through the relevant SL. These reports will not necessarily be recorded on the 101 database. For this reason, the RSL ASB Forum agreed that SLs would ask residents to also report ASB, highlighted to them, through the 101 service. In addition to this, responsibility for dealing with complaints of ASB crosses local organisations including the police, council and SLs.

2.13 Social landlords play a critical role in tackling anti-social behaviour and addressing its underlying causes in the areas where they own and manage

homes. They also have a range of tools and powers available for them to deploy in resolving complaints of ASB. The Anti-Social Behaviour, Crime and Policing Act 2014 replaced Anti-Social Behaviour Orders and Anti-Social Behaviour Injunctions with new tools to support 'putting victims first' and to give flexibility to deal with situations where any of the broad range of behaviours described as anti-social behaviour are present.

2.14 Social landlords and private registered providers have a role to play under the 2014 Act through joint working with other agencies and sharing information to ensure the best results for victims. Social landlords can now employ some of the new powers provided by the 2014 Act to enable more choice in the way that reports of ASB are responded to; the focus now squarely on the impact on the victim(s) instead of the behaviour itself. Studies show that early informal intervention is an effective method of resolving ASB.⁵ These may range from verbal or written warnings, community resolution, mediation, acceptable behaviour contracts, parenting contracts to support and counselling.

2.15 The following are relevant to social landlords:

Civil Injunctions

SLs may apply for non-housing related or housing related injunctions. Housing related injunctions are not limited to perpetrators who are their own tenants.

Community Protection Notices (CPN)

SLs designated by the council may issue a CPN in relation to behaviour that has a detrimental effect on the quality of life of those in the locality where it is persistent or continuing and unreasonable. SLs may issue a fixed penalty notice of up to £100 if appropriate for a breach of the CPN.

Possession Proceedings

SLs have power to seek to possess the home of its tenant who has been found guilty of anti-social behaviour or criminality. A new ground for possession provides a shorter route to possession by taking away the courts discretion and making a possession order a mandatory requirement if the relevant grounds are proved.

2.16 Social landlords in Tower Hamlets offer and promote a range of methods to report ASB. This includes sign-posting residents to '101', as well as by contacting the SL directly, including by telephone, email, online, Twitter, Facebook, in person and, in some cases, to a dedicated SL ASB team. The methods and channels offered are not necessarily consistent across all SLs, reflecting a diversity of local approaches.

2.17 Measures by the council to address incidents of ASB by non-SL tenants lie with the council's ASB Operations Team such as case investigators, who liaise with the police and enforcement team to find solutions to the problem, take action, and when appropriate, use the powers set out by the Anti-Social Behaviour Crime and Policing Act of 2014. ASB logged by the council is also passed onto the relevant neighbourhood policing team and recorded on FLARE, the council's database for recording ASB case management. On

⁵ 2013 HouseMark survey shows that 80% of anti-social behaviour cases dealt with by social landlords were successfully resolved by early intervention.

the council website, residents are encouraged to contact the police or housing provider in the first instance to resolve the ASB issue.

- 2.18 Reporting can also take place at 'Action Day' events, which bring together ward councillors, police officers and professionals to explore local crime and ASB issues and how best to address them. In addition, since October 2012, the Lead Member for Community Safety, the Community Safety Partnership and Neighbourhood Policing Teams (NPT) have implemented two rounds of community safety ward walkabouts (October 2012 to May 2013 and October 2013 to April 2014) across all wards in the borough. The ward walkabouts are an 'on the ground' ASB focused project to deal with local issues based on '101' reports. Community safety partners are able to visit each individual ward together and experience first-hand the issues affecting residents and gather valuable community intelligence at the scene. Actions for relevant partners are agreed at each walkabout and partners are asked to respond swiftly to ensure the crime and ASB concerns of residents are dealt with quickly. The police promotes the '101' contact service in all its mainstream communications. SNTs also deploy their Twitter accounts.

Informing communities about action and outcomes from complaints

- 2.19 All agencies involved in tackling ASB indicated that they aimed to report back to residents who have reported ASB directly to them. The police acknowledged that there was limited resources for them to lead broader communications work, such as at an estate or borough-wide level.
- 2.20 The council explained some of its broader communications work, including signage, public notices and posters that are promoted in communal areas which detail the consequences of individual cases where offenders have been successfully convicted for committing violations. 'Action Taken' leaflets are produced by the council after each community safety surgery and ward walkabout which are fortnightly events, and information uploaded on the internet.
- 2.21 In addition, successes around drugs-related ASB – both the work of the council and partners, including the Metropolitan Police - are promoted by the council's communications team in press releases in East End Life, circulated to a wide range of local, regional and BME media and the council's website and social media. The council has recently observed a growth in public interaction using the latter option. The council's communications lead also meets fortnightly with the Metropolitan Police and encourages them to inform the council of any ASB and crime successes so, even without specific council involvement, these can be publicised. Reference to the '101' service is included in all community safety press releases and promotional materials.
- 2.22 The council also notifies outcomes of reporting to elected Members, local groups, including residents associations, Neighbourhood Watch and Ward Panels, and Partnership Operations. Residents and elected Members can request a Community Trigger if they feel that action has not been taken in relation to ASB. The council and police additionally jointly undertake targeted work with the youth population and families in Tower Hamlets through a series of ongoing events programmes such as Summer Light

Night events, to build a sense of community and increase citizens' confidence to work with partners to address ASB concerns.

- 2.23 In addition to the work highlighted above, SLs use a range of methods to report back at an estate or area level. This includes through neighbourhood planning and Tenants and Residents Association meetings, newsletters and social media. As with ASB reporting the methods and channels used by SLs are not necessarily consistent across all providers, reflecting a diversity of local approaches.

Confusion over the term ASB

- 3.1 Public understanding of what constitutes anti-social behaviour is determined by a series of factors including context, location, community tolerance and quality of life expectations.⁶ As a result, what may be considered anti-social behaviour to one person can be seen as acceptable behaviour to another. The subjective nature of the concept makes it difficult to identify a single definition. Confusion also exists within the ASB definition contained in the Crime and Disorder Act (1998) which has crime categories in it, specifically drug dealing and possession. There was a general consensus amongst residents and stakeholders who participated in the review that a clear definition of ASB which reflects national guidance would be helpful.

Developing a clear reporting and response approach

- 3.2 In acknowledgement of the Metropolitan Police's role as the principal lead for tackling ASB in the borough, agreement exists within the CSP that the '101' number should operate as the primary reporting line for residents to report drug related ASB. Immediately following the council's adoption of 101 as the primary reporting route for ASB, the borough recorded the highest level of ASB reported in London. However, by reviewing the number of calls to the police (101 or 999) for ASB over three control periods i.e. October 2011 to September 2012 (17784 calls recorded), October 2012 to September 2013 (17452 calls recorded) and October 2013 to September 2014 (16052 calls recorded), we can see a decrease of 10 per cent overall. It is clear that whilst there is variation from month to month, the overall trend is downward. The use of a primary reporting route, and cross-Partnership tasking system, makes it easier for the police and CSP to effectively support the mapping of anti-social behaviour hotspots and the analysis of trends to help target the allocation of resources.
- 3.3 Despite this reduction, numbers of reports of ASB to police are still high when compared to other boroughs in London. This may be partly attributed to the CSP's significant promotion of the '101' system for the reporting of ASB, instead of dispersing ASB reporting across agencies which is a common practice in other London boroughs.
- 3.4 In 2013, Tower Hamlets had the highest level of ASB reported to the police in London; it is now second highest after Westminster following a plateau in calls and is now experiencing a downward trend. The CSP predicts that this trend will continue to show a decrease but the level of calls received for ASB is difficult to forecast, and can be influenced significantly by partnership activity, including the encouragement of reporting.
- 3.5 The Interim Director of Neighbourhoods at Tower Hamlets Homes and Chair of the RSL Anti-Social Behaviour Forum reiterated that using '101' has given

⁶ Nixon, J., Blandy, S., Hunter, C., Jones, A. and Reeve, K. (2003). *Developing Good Practice in Tackling Anti-Social behaviour in Mixed Tenure Areas*. Sheffield: Sheffield Hallam University.

the CSP clear insight into ASB in the borough through the production of consistent datasets.

- 3.6 The Review Group noted that despite the promotion of the '101' number as the primary ASB reporting route, there are a multitude of other methods that can be used to report ASB including SLs' own channels. For example, the Chair of the London ASB Managers Group and a representative of Poplar HARCA impressed on the Review Group the merit in encouraging residents to report ASB incidents firstly to '101' and then to the relevant social landlord that manages the estate, because housing providers are able to offer medium to long term solutions whilst the police provide a rapid response. Whilst the Group did not feel these alternatives, and in some cases additional, reporting routes should necessarily be withdrawn or closed-down, Members felt that a shared statement should be developed which sets out how a resident should report ASB which is consistent across the borough and SL areas.
- 3.7 During the resident workshop it was clear to the Review Group that uncertainty appeared to exist amongst local people on which agency to report incidents of ASB to, and the role and responsibilities of various bodies including the council and social landlords.
- 3.8 The Review Group also considered the variety of methods used by local partners to report back on the outcomes of ASB reporting. Whilst the police, council and SLs set out their commitment to respond directly to those reporting an ASB incident, the communications approach was not necessarily consistent at an estate or area level. The Panel heard from residents about the importance of strong communications back to all residents in order to encourage reporting. With this in mind, the Review Group felt that the council should bring together the police and SLs to develop an agreed minimum standard in terms of how partnership organisations will report back on the outcomes of ASB reporting covering individual incidents, at an area / estate level and borough wide.
- 3.9 The Review Group noted the progress in developing a cross-Partnership data set of ASB incidents, which has been supported by the focus on the 101 line and the council and Social Landlords referring incidents to this central line for recording. Nevertheless, it was noted that this 101 data set is not completely comprehensive. The Group felt that all SLs should reiterate the commitment that residents should be encouraged to report ASB through the 101 line so that there is a more comprehensive borough-wide understanding of ASB reporting across partners.

Recommendation 1

The council, through the relevant Community Safety Partnership (CSP) sub-group - the ASB Strategy Group, brings together the police, Social Landlords (SLs) and other partners to:

- A) Develop a clear shared statement as to what qualifies as ASB, and how a resident should report ASB which is consistent across the borough and SL areas**
- B) Agree a minimum standard in terms of how partnership organisations will report back on the outcomes of ASB reporting (individual incidents, at an area / estate level and borough wide)**
- C) Reiterate the commitment that all SLs should encourage residents to report ASB through the 101 line so that there is a more comprehensive borough-wide understanding of ASB reporting across partners.**

Promoting ASB reporting

- 3.10 Encouraging ASB reporting is essential to both thoroughly understanding and tackling the problem. Local practitioners need clear, collective protocols for communicating ASB messages to the public, to make clear to residents the ways to report ASB, and to reassure them of the benefits of doing so, through promoting action taken in response to ASB complaints.
- 3.11 The Chair of the London ASB Managers Group confirmed that across London, communications is often suffering due to cutbacks in organisational capacity. This gap in communications is further impacted upon by legal issues which can restrict what information can be feedback to ASB cases. The Chair of the Safer Neighbourhood Board urged partners to concentrate on communicating action taken following residents reporting ASB even if outcomes have not been successful, in order to ensure that a two-way dialogue is maintained. The Review Group acknowledged the importance of making information available to the public which allows them to form their own opinion and keep them informed on 'what' services are doing and not just 'how well'. The need for clarity on who ASB leads are within agencies was also discussed including contact details to make the process of following up reports easier for residents, with the proviso that these leads should encourage reporting through the 101 service, in addition to taking action.
- 3.12 Workshop participants felt that awareness on reporting ASB amongst residents needs to be strengthened especially in neighbourhoods which have a high population turnover. The Group felt that this was particularly important given the existence of multiple reporting channels and the primacy of the 101 service. While anti-social behaviour can occur in any neighbourhood, it is frequently experienced in high density, low income areas where multiple forms of deprivation are prevalent. A British Crime Survey indicated that social housing tenants are almost twice as likely as those in owner occupied or private rented property to perceive anti-social behaviour as a problem in their area. The Review Group felt that a renewed campaign to inform and remind residents on how to report ASB should be undertaken which should be cross-Partnership and informed by the experience of the 101 communications campaign undertaken in 2013.

Recommendation 2

The council, through the CSP ASB Strategy Group, oversees a renewed partnership promotional campaign to encourage ASB reporting. The campaign should:

- A) Include strong police and social landlord involvement**
- B) Be informed by the experience of the 101 reporting campaign undertaken in 2013**
- C) Include a focus on the reporting of drug-related ASB**
- D) Reiterate a clear message on how residents report ASB which is consistent across the borough and SLs.**

- 3.13 The Review Group was advised of surveys undertaken by housing providers which seek residents' views in relation to how ASB reporting is handled, e.g. satisfaction with the outcome of an ASB complaint. The Group felt that these surveys would be more valuable if they are comparable across housing providers i.e. using the same methodology and questions. Such an

approach would allow providers – and potentially others – to compare performance in a clear and consistent way, and would support the identification of good practice and areas / SLs requiring improvement.

Recommendation 3

The council, through the relevant CSP sub-group – the Registered Social Landlord (RSL) ASB Forum – brings together housing providers to explore implementation of a consistent approach to ASB surveying which supports robust benchmarking across SLs, including the identification of good practice and areas / SLs requiring improvement.

Ways to improve resident engagement in tackling ASB

- 3.14 In discussing how to boost residents' confidence in reporting ASB, SLs participating in the review agreed that the onus of encouraging reporting lies with the agencies involved in combatting it instead of residents. Hence, One Housing prioritises outreach work as opposed to expecting residents to initiate contact. Poplar HARCA also echoed this by involving residents from estates in arranging and participating in 'Days of Action'. Nevertheless, the Chair of the London ASB Managers Group emphasised the importance of active community involvement as an essential tool to tackle ASB through empowering residents to be actively involved, and getting them to understand the resources available to tackle it. Similarly, the Assistant Director of ASB at Poplar HARCA highlighted the benefit of training the community to get information from residents and feed back to local people, since not only are they an important source of knowledge but reliable witnesses who are crucial in achieving successful enforcement action.
- 3.15 The Review Group sought to explore additional practical ways residents can be supported to identify ASB and assist local organisations to tackle it, particularly in an environment of reducing resources. Suggested proposals included pairing up interested community members with middle management officers dealing with ASB in partner agencies. In addition, 'Participatory Appraisal Training' was suggested by the Chair of the London ASB Managers Group as an appropriate methodology that has been effectively used elsewhere, to encourage residents to discuss ASB. 'Participatory Appraisal' is a broad empowerment approach that seeks to build community knowledge and encourages grassroots action. It employs visual methods, making it especially useful for participants who find other methods of participation intimidating or complicated, to gather qualitative and quantitative results. Participatory Appraisal can be used to develop initiatives, and train residents and community champions to challenge local agencies and shape the approach to tackling anti-social behaviour. The Group felt the RSL ASB Forum should consider further a Participatory Appraisal approach.

Recommendation 4

The council, through the RSL ASB forum, investigate a pilot approach to 'Participatory Appraisal Training', in order to support residents to challenge local agencies and shape the approach to tackling anti-social behaviour.

Wider causal factors relating to ASB in the borough

- 3.16 The Scrutiny Review was focused on issues of reporting ASB and communicating the outcomes of such reporting. As such, the complex issue of what contributes to high levels of ASB was out of scope of the Review Group's work.
- 3.17 Nevertheless the Group noted the significant role of the Youth Service, and specifically related grants which aim to reduce and prevent ASB. The Group felt that the allocation of such funding should be informed by the best available information on the reporting of ASB incidents i.e. the 101 data. This will allow activity to be focused on the areas of greatest need, including ASB hotspots. In addition, this approach will help encourage SLs to advise residents to ensure that all ASB is recorded via the 101 service.

Recommendation 5

The allocation of any youth service grants which primarily aim to reduce ASB activity, should be informed by 101 data on the reporting of ASB incidents.

Sustainability of tackling local ASB in an environment of public sector austerity

- 3.18 Representatives of all agencies highlighted funding pressures and a likely reduction in resources available to support and tackle ASB. The Review Group felt that it would be worthwhile for the council and partners to work together now to explore how local agencies might operate in a future environment of significantly reduced resources. One suggestion, which builds upon the work highlighted by SLs, was the potential role of new technology and social media to support relatively inexpensive ways to both promote reporting of ASB to 101 and receive feedback about how incidents have been addressed.

Recommendation 6

The council, through the CSP ASB Strategy Group, brings together the police and housing partners to consider how best the partnership can provide a good service in the context of reducing resources, including exploring social media and new technology to both promote ASB reporting to 101 and feeding back on ASB reports.