



Meeting of the

TOWER HAMLETS COUNCIL

Wednesday, 26 November 2014 at 7.30 p.m.

A G E N D A

VENUE

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

Democratic Services Contact:

John S Williams, Service Head, Democratic Services

Tel: 020 7364 4204, E-mail: johns.williams@towerhamlets.gov.uk



Directorate of Law, Probity and
Governance

Democratic Services
Tower Hamlets Town Hall
Mulberry Place
5 Clove Crescent
London E14 2BG

Tel 020 7364 4204
Fax 020 7364 3232

www.towerhamlets.gov.uk

**TO THE MAYOR AND COUNCILLORS OF THE LONDON BOROUGH OF TOWER
HAMLETS**

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON, E14 2BG** at **7.30 p.m.** on **WEDNESDAY, 26 NOVEMBER 2014**

Stephen Halsey
Head of Paid Service

Public Information

Attendance at meetings.

The public are welcome to attend meetings of the Council. However seating is limited and offered on a first come first served basis and meetings tend to reach full capacity.

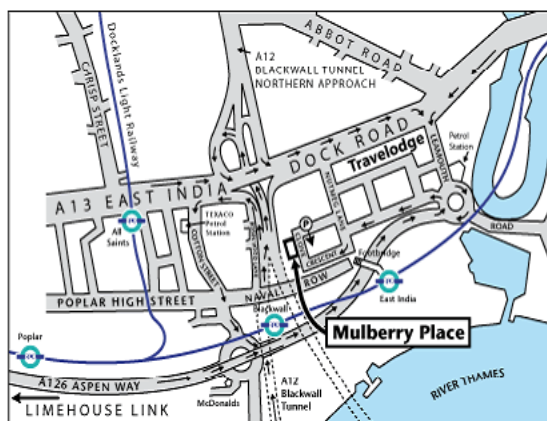
Audio/Visual recording of meetings.

The Council will be filming the meeting for presentation on the website. Should you wish to film the meeting, please contact the Committee Officer shown on the agenda front page.

Mobile telephones

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

Access information for the Town Hall, Mulberry Place.



Bus: Routes: 15, 277, 108, D6, D7, D8 all stop near the Town Hall.

Docklands Light Railway: Nearest stations are

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

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

Car Parking: There is limited visitor pay and

display parking at the Town Hall (free from 6pm)

If you are viewing this on line: (http://www.towerhamlets.gov.uk/content_pages/contact_us.aspx)

Meeting access/special requirements.

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



Fire alarm

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

Electronic agendas reports and minutes.

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

To access this, click www.towerhamlets.gov.uk/committee and search for the relevant committee and meeting date.

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



QR code for smart phone users

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL

WEDNESDAY, 26 NOVEMBER 2014

7.30 p.m.

**PAGE
NUMBER**

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

1 - 4

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

See attached note from the Monitoring Officer.

3. MINUTES

5 - 34

To confirm as a correct record of the proceedings the unrestricted minutes of the ordinary meeting of the Council held on 10th September 2014. The draft minutes are attached.

4. TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL

5. TO RECEIVE PETITIONS

35 - 36

The Council Procedure Rules provide for a maximum of three petitions to be presented at an Ordinary Meeting of the Council.

The deadline for receipt of petitions for this Council meeting is noon on Thursday 20th November 2014. However, at the time of agenda despatch, the maximum number of petitions has already been received as set out in the attached report.

6. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC 37 - 40

The questions which have been received from members of the public for this Council meeting are set out in the attached report. A maximum period of 20 minutes is allocated to this agenda item.

7. MAYOR'S REPORT

The Council's Constitution provides for the Elected Mayor to give a report at each Ordinary Council Meeting.

A maximum of five minutes is allowed for the Elected Mayor's report, following which the Speaker of the Council will invite the respective political group leaders to respond for up to one minute each if they wish.

8. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE COUNCIL 41 - 46

The questions which have been received from Councillors to be put at this Council meeting are set out in the attached report. A maximum period of 30 minutes is allocated to this agenda item.

9. REPORTS FROM THE EXECUTIVE AND THE COUNCIL'S COMMITTEES

9.1 Report from Cabinet meeting: Extension of Substance Misuse Strategy 47 - 90

To consider a proposed extension of the Substance Misuse Strategy. The report of the Corporate Director, Communities, Localities and Culture, including the recommendations of the Executive, is attached.

10. TO RECEIVE REPORTS AND QUESTIONS ON JOINT ARRANGEMENTS/EXTERNAL ORGANISATIONS (IF ANY)

There is no business to be transacted under this agenda item.

11. OTHER BUSINESS

11.1 Mid-Year Review Report for Treasury Management and Investment Strategy 2014/15 91 - 120

To consider the Mid-Year review report of the Council's Treasury Management and Investment Strategy 2014/15. The report of the Acting Corporate Director, Resources is attached.

11 .2 The Structure and Governance arrangements of the London Borough of Tower Hamlets Pension Fund 121 - 128

To consider the attached report of the Acting Corporate Director, Resources regarding proposed changes to the structure and governance arrangements of the Local Government Pension Schemes.

12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL 129 - 148

The motions submitted by Councillors for debate at this meeting are set out in the attached report.

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

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

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

Interests and Disclosable Pecuniary Interests (DPIs)

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

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

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

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

Effect of a Disclosable Pecuniary Interest on participation at meetings

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

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

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

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

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

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

Further advice

For further advice please contact:-

John Williams, Service Head, Democratic Services, 020 7364 4204

APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

This page is intentionally left blank

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE COUNCIL

HELD AT 7.30 P.M. ON WEDNESDAY, 10 SEPTEMBER 2014

**THE COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5
CLOVE CRESCENT, LONDON, E14 2BG**

Members Present:

Mayor Lutfur Rahman	Councillor Shafiqul Haque
Councillor Khaled Uddin Ahmed	Councillor Clare Harrison
Councillor Rajib Ahmed	Councillor Danny Hassell
Councillor Suluk Ahmed	Councillor Sirajul Islam
Councillor Ohid Ahmed	Councillor Denise Jones
Councillor Mahbub Alam	Councillor Aminur Khan
Councillor Shah Alam	Councillor Rabina Khan
Councillor Amina Ali	Councillor Shiria Khatun
Councillor Shahed Ali	Councillor Abjol Miah
Councillor Abdul Asad	Councillor Ayas Miah
Councillor Craig Aston	Councillor Harun Miah
Councillor Asma Begum	Councillor Md. Maium Miah
Councillor Rachel Blake	Councillor Mohammed Mufti Miah
Councillor Chris Chapman	Councillor Abdul Mukit MBE
Councillor Dave Chesterton	Councillor Muhammad Ansar Mustaquim
Councillor Gulam Kibria Choudhury	Councillor Joshua Peck
Councillor Alibor Choudhury	Councillor John Pierce
Councillor Andrew Cregan	Councillor Oliur Rahman
Councillor Julia Dockerill	Councillor Gulam Robbani
Councillor David Edgar	Councillor Candida Ronald
Councillor Marc Francis	Councillor Rachael Saunders
Councillor Amy Whitelock Gibbs	Councillor Helal Uddin
Councillor Peter Golds	Councillor Andrew Wood

The Speaker of the Council, Councillor M. A. Mukit, MBE, in the Chair

The meeting commenced at 10.32 p.m.

NOTE - AGENDA ORDER

During the meeting the Council agreed to vary the order of business. To aid clarity, the Minutes are presented in the order that the items originally appeared on the agenda. Urgent motions, moved with the agreement of the Council, without notice, are listed at Item 15. The order the business was taken at the meeting was as follows:

- Item 1 – Apologies for absence
- Item 2 – Declarations of Disclosable pecuniary interests

- Item 3 – Minutes (including item 14 – Exempt Minutes)
- Item 4 – Announcements
- Item 5 – Petitions
- Item 12.5 – Motion regarding Vic Johnson House
- Item 6 – Public Questions
- Item 7 – Mayor’s Report
- Item 12.8 – Motion regarding Chief Executive recruitment
- Item 15.1 – Urgent Motion regarding the judicial review of the Best Value inspection
- Item 8 – Members’ Questions
- Item 11.1 – 2013-14 Treasury Management Outturn Report
- Item 12.1 – Motion regarding primary school performance
- Item 12.2 – Motion regarding the Council’s budget

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

Councillor Helal Uddin declared a pecuniary interest in Agenda Item 12.5 ‘Motion regarding Vic Johnson House – proposed redevelopment of sheltered housing’ as his wife worked for the housing association and so he would not take part in the discussion and would leave the chamber for the duration of that item.

3. MINUTES

RESOLVED

That the unrestricted and exempt/confidential minutes of the Council meeting held on 30 July 2014 be confirmed as a correct record and the Speaker be authorised to sign them accordingly.

4. TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL

There were no announcements.

5. TO RECEIVE PETITIONS

5.1 Petition for Road Hump in Carr Street, E14

The petitioners were not present and so the petition was not heard.

5.2 Petition to stop the building of a new school in the Burdett Estate

Mr Junayd Miah addressed the meeting on behalf of the petitioners and responded to questions from Members. Councillor Rabina Khan, Cabinet Member for Housing and Development then responded to the matters raised in the petition. She expressed concern with the plans and the level of consultation to date and recommended that, should a planning application be submitted, the petitioners should ensure their concerns were presented to the Development Committee that would consider them.

RESOLVED

That the petition be referred to the Corporate Director, Education, Social Care and Wellbeing, for a written response on any outstanding matters within 28 days.

5.3 Petition regarding Vic Johnson House

Mr Marcus Cook addressed the meeting on behalf of the petitioners and responded to questions from Members. Councillor Rabina Khan, Cabinet Member for Housing and Development responded to the matters raised in the petition. She welcomed the petition and stated that she and officers had already expressed their disappointment to Gateway Housing that they had not met the expected standards. She stated that they would work to try and ensure these plans did not go ahead.

RESOLVED

That the petition be referred to the Corporate Director, Development and Renewal, for a written response on any outstanding matters within 28 days.

Procedural Motion

Councillor Marc Francis then **moved** and Councillor Rachael Saunders **seconded**, a procedural motion “that under Procedure Rule 14.1.3 the order of business be varied such that Motion 12.5 “Motion regarding Vic Johnson House – proposed redevelopment of sheltered housing” be taken as the next item of business. The motion was put to the vote and was **agreed**.

6. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC

The following questions and in each case (except where indicated) a supplementary question were put and were responded to by the relevant Executive Member.

6.1 Question from Mr Michael James:

How will this council deal with unjust private landlords and protect victimised tenants from eviction?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you and my sympathies to you and your courage in notifying environmental health officers and as you know now we have a schedule of work in place and we have served notice to the landlord to ensure those works take place.

But actually your question is a far reaching question in asking how we protect the private rented sector.

It is very important and deals with the private rented sector not just in Tower Hamlets but it has an impact on the rest of London and the country. The Mayor made a promise to deliver the Landlords Registration Scheme. Now the issue of tenants being victimized in the private rented sector is an important one because when Thatcher introduced right to buy she also abolished the rights of tenants. They were abolished on 15 January 1989 as part of the Rent Act. Whilst regulated tenancies offer some protection there are fewer rights for private rented sector tenants.

In April 2014 Cabinet agreed the Fairness Commission recommendations. Recommendation 16 of the commission clearly sets out that we must improve the private rented sector and tenants must be better protected from a landlord licensing scheme in Tower Hamlets.

A licensing scheme would enable the council to apply legal requirements in designated areas requiring landlords to register, apply for a license for each property they rent out and comply with the specific conditions.

Last week Cabinet agreed the consultation process to begin for the first stage of developing this Landlord Registration Scheme.

As part of the consultation we have a duty to consult with private rented sector landlords, tenants and other interested parties who have a say in this.

Regardless of how unfair this must be to you it is a national crisis as well and the most important thing in the future for any political party to campaign on this is for changes in the current legislation to ensure that tenants are protected far more.

Supplementary question from Mr James

Regarding the Council's new scheme we call upon the Mayor to contact landlords directly this winter who are evicting tenants unjustly to warn them.

Councillor Rabina Khan's response to the supplementary question

Your comments are very important and I will ensure that as part of the consultation that is done.

6.2 Question from Mr Glyn Robbins:

Can Councillor Khan please confirm if the Council will be represented at 'Le marché international des professionnels de l'immobilier' - the MIPIM conference - to be held at London Olympia, 15 - 17 October 2014?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you for your question. For people who do not know what the MIPIM conference is, it is a trade fair for the property industry. It takes place in Cannes and it tells you something that it is the first UK conference to be held at Olympia and it will be held between 15 – 17 October.

It is for the big players, the people who want to invest in property and the people who want to take land and develop it and sell it.

You are right to say that when we live in a country that probably in the future generations of our young people will never be able to buy our properties. In fact they will be probably in their late thirties or early forties if they are ever to buy a property.

I sympathise with those critics of the conference who say that the conference is too heavily weighted in favour of speculators and it is true that people come here and see whether or not they can get a very good deal and possibly they will look at Tower Hamlets.

Boris Johnson will be making the keynote speech but that is in the interests of the Tory Party.

Too much of our property market is skewed by developers seeking to make fortunes by carving up the property market and getting their hands on the 13 million acres of under used public land at a knockdown price and that will be happening at the conference and no, Tower Hamlets will not be represented there.

(No supplementary question was put.)

7. MAYOR'S REPORT

The Mayor made his report to the Council meeting, extending a warm welcome to all present.

When the Mayor had completed his report, at the invitation of the Speaker the

Leaders of the other political groups each then responded briefly to the Mayor's report.

Procedural Motions

At the conclusion of her response to the Mayor's report, Councillor Rachael Saunders **moved**, and Councillor Shiria Khatun **seconded** a procedural motion "that under Procedure Rule 14.1.3 the order of business be varied such that Motion 12.8 "Motion regarding Chief Executive recruitment" be taken as the next item of business. The motion was put to the vote and was **agreed**.

At the conclusion of his response to the Mayor's report, Councillor Peter Golds, **moved**, and Councillor Craig Aston **seconded**, a procedural motion "that under Procedure Rule 14.1.5, Rule 13.1 be suspended to enable an urgent motion regarding Tower Hamlets Council's judicial review on the Best Value Inspection to be considered". The procedural motion was put to the vote and was **agreed**.

Under Procedure Rule 17.6, the following Councillors requested that their votes against the procedural motion moved by Councillor Golds be recorded:

Councillor Ohid Ahmed
Councillor Suluk Ahmed
Councillor Mahbub Alam
Councillor Shah Alam
Councillor Shahed Ali
Councillor Abdul Asad
Councillor Alibor Choudhury
Councillor Gulam Kibria Choudhury
Councillor Shafiqul Haque
Councillor Aminur Khan
Councillor Rabina Khan
Councillor Abjol Miah
Councillor Harun Miah
Councillor Md Maium Miah
Councillor Mohammed Mufti Miah
Councillor Muhammad Ansar Mustaqim
Councillor Oliur Rahman
Councillor Gulam Robbani

8. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE COUNCIL

The following questions and in each case (except where indicated) a supplementary question were put and were responded to by the relevant Executive Member:-

8.1 Question from Councillor Danny Hassell

Given the issues raised by the inquiry into child sexual exploitation in Rotherham, what steps has this administration taken to ensure that procedures and services are robust in safeguarding young people here in Tower Hamlets?

Response by Councillor Gulam Robbani, Cabinet Member for Education and Children's Services

Thank you Mr Hassell, Councillor Hassell for your question.

This is a very important issue, a very sensitive one, and recent revelation around Rotherham is rather shocking and sad.

In terms of our administration, we place safeguarding children as our top priority and on that end Mayor earlier on he said Mayor and I have commissioned an independent investigation, independent review of our safeguarding process and also we asked for officers to carry out an extensive audit of our safeguarding process and procedure.

We are committed to provide the best service in terms of safeguarding and therefore I would recommend all our Councillors to attend a future safeguarding meeting coming up some time in October and therefore I could assure the Chamber is that we have a very robust safeguarding board in place and we have an independent Chair who chairs this safeguarding board and we have a very good record on safeguarding children in this authority.

Supplementary question from Councillor Danny Hassell

I thank the Lead Member for his response and am sure we all welcome the review that he's mentioned. I understand the review will be looking at the arrangements, the procedures and processes for dealing with child sexual exploitation.

I wonder if in addition I could ask the Lead Member to request that there is an independent audit of some of the previous cases that have been dealt with by the Council and partners so that we can identify direct lessons from these to be implemented for the future.

Councillor Gulam Robbani's response to the supplementary question

In terms of I say that we also asked for an extensive audit of safeguarding process and safeguarding cases and am happy to ensure any lesson to be learned from Rotherham experience we will do so.

8.2 Question from Councillor Mahbub Alam

Will the Council join me in congratulating Cllr Rabina Khan in being nominated for the 'Hero of the Year' award in the 2014 European Diversity Awards and also wish her the best of luck?

Response by Councillor Oliur Rahman, Deputy Mayor

Thank you Mr Speaker it gives me great pleasure to respond to this question. Well done to Councillor Rabina for being shortlisted for 2014 European Diversity awards which celebrates individuals, organisation and businesses excellence and promoting equality and diversity across Europe.

Councillor Khan is a fantastic asset to this Council.

She has rightly has been shortlisted for her engagement in local community, wider society through her writing directing and producing work.

Her support in delivering government regeneration initiatives such as Bethnal Green City Challenge and management of education and empowerment project for the local women and young girls from ethnic minority communities were particularly praised, especially round challenging perception of muslim women and advocating integration of muslim women in mainstream society across Europe. So I do join Councillor Alam congratulating Councillor Rabina Khan for this nomination and I think she may be able to teach one or two Councillors in this Chamber about some of the diversity that they should be following when it comes to serving residents of this borough.

(No supplementary question was put)

8.3 Question from Councillor Andrew Wood

The Mayor has stated repeatedly that Tower Hamlets has some of the best urban schools in the world, can he explain why over the last five years the number of children attending primary schools rated by OSTED as Outstanding in the Bethnal Green & Bow area has declined so sharply; and why the percentage of children attending LA primary schools in the borough rated as Inadequate by OFSTED is twice as high as any neighbouring borough?

Response by Councillor Gulam Robbani, Cabinet Member for Education and Children's Services

Yes thank you Councillor Wood I know am not sure you asked question or you made a lot of statements.

I know some of you would like to say negative things about our children and our education of our schools. You would know that our borough has been increasing the result year on year, every year. You have compared some of the stats you are trying to confuse people.

In 2009 you talk about our results. In 2009 we had 75% of our schools either outstanding or good and now we have 86%, therefore there is increase or

improvement of 11% and also level 4 children on day when they leave primary school it has risen by 6% therefore our school performance is improving and by all the administration, the current administration, the last administration had invested on education and this we are currently investing on education particularly on our free school meal just recently started and also the Mayor's education allowance, the higher education allowance, lots of things happening in this Borough.

Therefore it is a surprise that you want to paint a misleading picture for this Borough. You talked about Mayor talking about the world class education and that is not just Mayor it is the Department for Education and we have some of the best urban schools in the world.

Supplementary question from Councillor Andrew Wood

All I can suggest is that when you are next on the internet go to Ofsted Data View. Do the analysis for yourself, you can see basically what the numbers look like. It is very clear that there are some outstanding schools in Tower Hamlets as I said earlier. But there are not enough of them.

Again I did not get an answer earlier so I repeat the question, what has changed in the last five years which has basically resulted in outstanding schools becoming good and good schools becoming inadequate.

What has happened? This is really important issue ok it is not a political issue. It is about the future of our children and I expect a better answer than that to be honest. Thank you.

Councillor Gulam Robbani's response to the supplementary question

Yes Councillor it is your party it is Michael Gove who moved the goalpost. In the past we didn't have this inadequate, it was we had a different system so he changed the goalpost because too many people are performing. Therefore also it is the Tory Party who has shamelessly cut budget and funding for lots of schools so it's not just Tower Hamlets right because nationally some of these performance gone down not because people are not performing, it's because the way Tory has moved the goalposts.

8.4 Question from Councillor Rachael Saunders

Please could the Mayor make a statement about the Leaving Care service following the details of failure in the service in UNISON's Tower Power publication?

Response by Councillor Gulam Robbani, Cabinet Member for Education and Children's Services

Again misleading Councillor Saunders nothing surprise me, I read the Tower Power articles nothing nothing nowhere says failure, it does however talk about individual concern, individual victim of bullying victimisation and

therefore I share their concern in terms of our staff who are victim of victimisation and bullying and therefore as I understand Officer has assured me that we have carried out a thorough independent investigation of those allegation and therefore appropriate action has been taken.

In terms of our young people you would know, or you may not know, that if you care to know that most recent Ofsted inspection so to labelled us as a good authority and good rating. Particularly they praised, commended our children and care and also they said our model best practice therefore these are the good things, we are committed and I am committed and we will continue to provide best service for our care leavers.

Supplementary question from Councillor Rachael Saunders

As Councillors we are corporate parents and if had a child and what was happening in an institution that where my child was in care was what happened as set out in the UNISON publication I would be furious and I would go and you know I would fight really hard to try and make sure things were sorted out. I was really surprised when I read the account of what happened in Tower Power that I heard nothing more from the Council because we are all corporate parents and all of us should be asking those questions to make sure those children are looked after in the best possible way.

I am glad to hear now that there was an independent investigation. I would be grateful if that investigation should be published because all of us as corporate parents need to take on that responsibility.

Councillor Gulam Robbani's response to the supplementary question

Just to reiterate Mr Speaker that a report has been carried out. These are personal HR issues therefore that cannot be published. There is something called confidentiality and we will continue to provide best service for this authority and I am as a Corporate parent we are doing a fantastic job and we commend our staff as hardworking.

8.5 Question from Councillor Shah Alam

Will the Mayor join with me in calling on the Prime Minister to grant asylum to the Christian and other religious minorities suffering persecution at the hands of Islamic State in Northern Iraq?

Response by Councillor Oliur Rahman, Deputy Mayor

Thank you Councillor Alam for your question.

I echo everything the Mayor has said in his statement and call on Prime Minister the call which has also been supported by a number of bishops and I also want to say that those people who also beheading the journalists we condemn that in the strongest term and those people who use their name Islam and religion for that purpose I want to say absolutely clear these people

do not represent any law abiding decent muslim, they do not represent Islam as a religion and they are nothing to do with the religion whatsoever and far as I am concerned and I would go as far as saying that are not even classed as Muslim and we will continue to stand and oppose such a horrendous act against any religion and against any human being we may disagree and we not agree to something that does not mean you take the weapon and start attacking innocent people, children, men and women right across the world wherever they may be.

(No supplementary question was put)

Procedural Motion

At the conclusion of question 8.5, Councillor Alibor Choudhury **moved**, and Councillor Oliur Rahman **seconded** a procedural motion “that under Procedure Rule 14.1.3 the order of business be varied such that Motion 12.9 “Motion regarding the humanitarian crisis in Iraq and persecution of religious minorities” be taken as the next item of business. The motion was put to the vote and was **defeated**.

8.6 Question from Councillor Chris Chapman

Will the Mayor tell us what steps have been taken to address the issues raised in my supplementary question at the last full council meeting, regarding One Housing’s recent track record?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you Mr Speaker, this issue that you have raised Councillor Chapman have been raised with One Housing. They have assured us that the under floor garages have been cleared of all waste and that the area has been further secured in order to deter people from entering the premises and starting fires. This work has been done in co-operation with the Fire Brigade.

Further detail on the other three matters is still awaited and I have asked Officers to report to you directly on that matter. However, whilst One Housing may have reported to us that they have carried out the work we will still continue to monitor that they are doing so.

Supplementary question from Councillor Chris Chapman

Thank you for that answer.

In response to my supplementary question on this topic at the last full council meeting the Cabinet Member referenced the Secretary of State for Communities and Local Government, I thank you for that as I know that the Mayor is a great admirer of the Secretary of State.

Does the Mayor feel that we could take a leaf out of the Secretary's book in terms of how we deal with these issues in relation to One Housing? Particularly as Mick Sweeney the Chief Executive of One Housing decided not to accept a request to appear before the Overview and Scrutiny Committee to discuss One Housing's extremely poor record of late.

I have had numerous residents contact me in relation to the immediate demands for large sums of money relating to major works, in some cases upwards of £6,000 after years of paying manageable monthly sums and it is indeed heartwrenching to listen to a resident just this week cry down the telephone because they now face the prospect of losing their home due to this wholly disproportionate request.

You mentioned the disused car park under Headley House has now been discovered to contain anti-social behaviour.

My question is will the Mayor therefore follow the excellent example set by the Secretary of State for Communities and Local Government in terms of his approach to dealing with rot both figuratively and in this case quite literally and ensure that One Housing are dealt with directly and urgently?

Councillor Rabina Khan's response to the supplementary question

Actually I would like to thank the Chair of Overview and Scrutiny for requesting One Housing in an attempt to bring the RP to task. However One Housing did not attend because RPs are not compelled to attend O & S.

During my time I and the Mayor have continuously endeavoured to hold various RPs to account. One Housing is included. I have stated earlier that we have sought to use our EH powers to bring RPs and rogue landlords to account.

The Council prosecuted One Housing in 2011 and the case was heard at the Thames Magistrates Court, September 16th 2011. District Judge Ashwell found out that One Housing did not do enough to comply with the Council's Housing Act notices and ordered them to pay fines of seven hundred pounds and the Council's cost of £2,000 so we have actually worked really hard to bring One Housing to account.

But the bigger question is why the Tory led government took away tenants' rights, changed registered social landlords actual term and turned it into registered providers and abolished the tenants' services authority giving free reign to housing providers.

Then you Councillor Chapman have the audacity to ask me what I do about when it is your own party that has put us in this place in the first place.

8.7 Question from Councillor Clare Harrison

Recent reports have shown that Government cuts mean domestic violence refuge provision is at a crisis point. What is the mayor doing specifically to ensure that shelters in the Borough stay open and that services for victims of domestic violence are protected?

Response by Councillor Ohid Ahmed, Cabinet Member for Community Safety

Thank you Councillor Clare Harrison for your question.

It is very very important point that we are going to face of course huge cuts in this borough you know probably next two years we have to find 70 million pounds worth of savings so we are in very much in trouble but we are just trying to save our complaints services particularly this kind of services which is going to affect our vulnerable women and the refugee.

So we are as a Council we are very much committed to serve this kind of services. We specifically fund organisations for domestic violence in this Borough so we are contract with Jacita Housing who deliver the domestic abuse services in this Borough.

In last financial year 146 women and 184 children access to this service and although is committed to retain its position and to make sure that this service continue and we are committed to continue this service.

Thank you for your question.

Supplementary question from Councillor Clare Harrison

Yes and I think this is a little bit sad that this hasn't been given this its full attention and we kind of had a bit of a petty squabble. I think it's such a key issue and I think my supplementary is basically whether the Mayor can give a personal guarantee that he won't see any refuges closed in the borough and that everyone leaving violent homes will have full access to things like the social fund and other council resources in order to kind of enable a smooth transition.

Thank you.

Councillor Ohid Ahmed's response to the supplementary question

Thank you for your supplementary question item. I think you should be speaking to a colleague not to support the blue bench sitting behind us.

This is what I think needs to happen in this chamber. We should be working together to make sure that our people, particularly residents in this Borough are represented well.

As I said before I cannot add anything more but we are committed. We have to find 70 million pounds worth of savings at the same time we are very much committed to save our frontline services particularly services like this and will continue to retain this kind of service.

This is our commitment and as I said it many times before you became a Councillor we are here to represent our people and we will do in our best ability and will make sure that this kind of service continues. Thank you.

8.8 Question from Councillor Suluk Ahmed

I am sure many have been saddened to hear of film-actor Robin Williams' tragic death last month, as the result of suicide. Considering the large numbers of middle-aged men who commit suicide, can the council tell us what they are doing to promote the destigmatization of mental health issues, and our most recent progress with the Time to Change plan?

Response by Councillor Abdul Asad, Cabinet Member for Health and Adult Services

Thank you Councillor Suluk Ahmed.

The world has been saddened and shocked at the recent death of Robin Williams and his suicide highlights how depression affects the people from all walks of life.

This is why the initiatives like Time to Change which tackled the stigma of mental health are very important and in order to help and support the suffering with our staff concerned they might be aware that they are introducing a new mental health policy for staff in this Council which includes the parachute scheme to help manage mental health at work, Mental Health First.

First Aiders are being trained and HR staff are also trained in mental health awareness in October as part of the Time to Change the plan.

A detailed action plan is being pursued which involves Time to Change auditing the Council's arrangement once they are fully implemented.

I also would like to add that this is why the Executive Mayor Lutfur Rahman in person signed the pledge Time to Change and you can be rest assured that this Council will provide the best service to resolve the problem of people with mental health. At the same time like yourself you are a very graceful campaigner. We have seen your campaign through progressive youth organization (PYO) and so on and will continue to campaign in the community to give awareness of the people how it affects the people with mental health. Thank you.

(No supplementary question was put)

8.9 Question from Councillor Julia Dockerill

Will the Mayor provide details of the change in annual costs of dealing with fly tipping since 2011, and the revenue generated each year through his £15 bulky waste collection charge introduced in 2012?

Response by Councillor Shahed Ali, Cabinet Member for Clean and Green

Thank you for your question Councillor Dockerill.

We talked, this Chamber talked a lot about, we heard a lot about being corporate parents and that takes responsibility on all services that we provide here in the Council but unfortunately judging by the performance of some Members opposite me this evening, I just hope you know where they chose to move to the vote with that debate I just hope that my kids don't ask me to move to the vote when I try to apprehend them for any wrong doings that they may have done.

Anyhow moving to the subject charging for bulky waste is not new, it happens in other Boroughs including your friends in Croydon who also choose to charge for bulky waste collections. The Council in Westminster also charges for bulky waste collections. The Council actually spent only £2,183.00 dealing with fly tipping in the year 11/12. Slightly increased to £3,365.00 in the year 12/13 and actually reduced this year in the current year 13/14 to only £1,362.00 so overall that's created a saving and we have seen that pattern increasing over the last three years.

You will be pleased to know, everyone will be pleased to know in this Chamber that as a result of introducing the services we have actually generated already some £120,000 of income and I am sure everybody will appreciate in this chamber that that income can go towards other projects that we strive to provide in this borough in the face of the Tory cuts that we've been facing over the last three or four years in particular.

Many community services such as the Work 100 programme for example which the Mayor introduced and is striving to get 100 women in this borough into full-time employment.

Also you will be pleased to know that around the corner from yourselves the Watts Grove facility has also increased in its collection of bulky items that people wish to go and dispose of personally there and that's also helped us increase our recycling rates by some 70% so I would say that the bulky waste collection service that we started certainly working the facts and figures speak for themselves.

We haven't received many complaints, any complaints really about the service and I hope that the collection rates and the income that we generate from that service will continue to grow. Thank you.

Supplementary question from Councillor Julia Dockerill

Thank you very much for that answer.

I don't have a problem with the notion of charging for items but it doesn't seem to be working in Tower Hamlets.

I think everybody, probably every candidate here tweeted pictures of themselves next to huge piles of mattresses, dumped televisions, particularly on our council estates and the one near me, Doughty Court has a real problem. My concern really is if the cost of the fly tipping costs have gone down maybe its because people aren't actually collecting the items from the Council and so I would just like to know whether the Council would consider reviewing this policy because it doesn't really seem to be working from the anecdotal evidence that Councillors provide from their twitter accounts and elsewhere.

Councillor Shahed Ali's response to the supplementary question

Yes very briefly yes I too use Twitter myself and I'm sure that the majority of the public and the nation and round the world also choose to use Twitter.

But the facts that I've illustrated to you earlier I think to be fair they speak for themselves.

We've seen, I've explained to you that we have seen the reduction in the costs its costing us the Council to deal with the fly tipping, which is an illegal activity by the way, to counter that and obviously by introducing the charge of only £15.00 we have managed to generate an income that is much needed to provide the services that we have had to cut as a result of Tory cuts.

But I will finish by saying both to yourselves your colleagues and the colleagues opposite, especially Councillor Saunders and Khatun who are having a different conversation, obviously not interested in bulky waste at this moment in time. But please please please I encourage you all to please call up the Council if you see any of your neighbours, any of your friends and families disposing of waste illegally, the mattresses and so forth please call us up tell us to move it that way we can ensure that there's less rubbish and bulky waste left on our streets so please do that. Don't worry if I discover its someone that you know I won't dob you in I won't ring them up and tell you that your cousin rang up and told me that you got mattresses lying around don't worry about that I can assure you discretion. Thank you.

8.11 Question from Councillor Muhammed Ansar Mustaqim

Will the Mayor join with me in offering his best wishes to the delegation of trade unionists and local community activists who are embarking on a fact finding visit to Bangladesh to meet the victims of the Rana Plaza disaster and explore how we in the UK can support them and promote safer working conditions?

Response by Councillor Oliur Rahman, Deputy Mayor

Thank you Mr Speaker as a Trade Unionist myself I fully support and I was in Bangladesh during the disaster and I seen it for first hand the scene and I also visited the victims before and after and also when I went to see the scene afterwards there was many blankets, clothes was stacked in the mud where people have lost their lives and it didn't only affect the individual but it also affected the families, the livelihoods and I want to say the number of multi million pounds worth of companies that are based in this country that some of us go to shop they actually use the workers in Bangladesh, pay peanuts have an extremely, extremely poor working conditions their wages don't get paid for months after months and I think we as a human being if not anything else we have a moral duty to at least raise our voice, raise our concern in support of those people and bearing in mind Bangladesh along with many other countries in the world is one of the poorest countries in the world and nobody deserve to be treated like this and I don't believe if people were to be treated like this in this country any of us would be keeping quiet.

Supplementary question from Councillor Muhammed Ansar Mustaqim

Thank you for this answer.

I would like to know that this house wants to know what kind of relationship with the Bangladesh and the government industry in Bangladesh to protect to you know to having this sort of disaster again.

Councillor Ohid Ahmed's response to the supplementary question

Obviously is responsibility of government of Bangladesh and I know that many politicians from whichever party when they do visit they do raise this issue, the Mayor met with the delegation this afternoon I've also said that I would also meet them along with my colleagues from my union to support and I know that Unite one of the largest union in the country is also going to support the Trade unionists in Bangladesh to put mechanism in place so that they can support their workers and make sure that they have a decent standard of employment and contract and so on and so forth.

Question 8.10 was withdrawn. Questions 8.12 to 8.20 were not put due to lack of time. The Service Head, Democratic Services stated that written responses would be provided. [Note: The written responses are included in Appendix A to these minutes.]

9. REPORTS FROM THE EXECUTIVE AND THE COUNCIL'S COMMITTEES

There was no business to transact under this agenda item.

10. TO RECEIVE REPORTS AND QUESTIONS ON JOINT ARRANGEMENTS/EXTERNAL ORGANISATIONS (IF ANY)

There was no business to transact under this agenda item.

11. OTHER BUSINESS**11.1 2013-14 Treasury Management Outturn Report**

The Council considered the report of the Acting Corporate Director of Resources on treasury management.

RESOLVED

That the report be noted.

12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL**12.1 Motion regarding Primary School Performance**

Councillor Andrew Wood **moved**, and Councillor Chris Chapman **seconded** the motion as printed on the agenda.

Following debate, the motion was put to the vote and was **agreed**.

RESOLVED

This Council notes:

- That in the Bethnal Green & Bow area of the borough, the percentage of primary school children attending a Local Authority school rated as Outstanding by OFSTED has dropped from 29% five years ago, prior the current administration coming in to office, to 8% this year.
- That in the same area the percentage of pupils attending a primary school rated as Inadequate has gone from 0% five years ago to 7% this year.
- That across the whole borough the percentage of children attending a primary school rated as Inadequate (4%) is twice as high as any neighbouring borough.
- That the percentage of primary school children attending a school rated as Outstanding in Tower Hamlets (15%) would put it towards the bottom of a local league table of schools.
- That this is despite Tower Hamlets receiving approximately the third highest funding per pupil in London.

This Council therefore asks that the Overview & Scrutiny committee investigate the causes for this decline and report back to full Council as soon as possible.

12.2 Motion regarding the Council's Budget

Councillor Shiria Khatun **moved**, and Councillor Rachael Saunders **seconded**, the motion as printed on the agenda.

Following debate, the motion was put to the vote and was **agreed**.

RESOLVED

This Council notes:

1. The Tower Hamlets Council Cabinet paper of July 2013, which set out the budget cuts imposed by Government which will mean that this Council needs to make £28.4m of cuts in 2015/16 and a further £39m in 2016/17.
2. The failure of previous budget consultation processes, with few people engaging before concrete proposals were published.

This Council believes:

1. That there is significant increase in local need for services the Council provides, for example in school places and in social care.
2. That the Conservative led government is attacking deprived communities, including Tower Hamlets to pursue their ideological cuts agenda.
3. That it is vital that the decision making process for the budget is fair, and is seen to be fair.
4. That all candidates for the election of Mayor of Tower Hamlets stood in the full knowledge of the difficult decisions they were going to have to make.
5. That in a place as diverse as Tower Hamlets, with real need across the whole of our community, transparency is vital to maintaining trust.
6. That the Council being open about the tough decisions it needs to make will help local partners including other public sector organisations and local voluntary sector and social enterprises consider where they can collaborate to make shared savings.
7. That Labour councils across the UK have invested in partnerships and infrastructure to increase resilience in the face of cuts.

This Council resolves:

1. To campaign to challenge the Conservative led government's austerity agenda, and to make clear to local people that the cuts are imposed on us from Government.
2. To call on the Mayor to set out as soon as possible how he intends to protect the services local people rely on.
3. To call on the Mayor to start a dialogue across all political groups represented on the Council, to ensure all perspectives are heard before decisions are made.
4. To call for transparency in decision making, and to oppose cuts being made without accountability, whether through tightening criteria for access to social care or allowing service provision to wither through not replacing officers who leave.

12.5 Motion regarding Vic Johnson House – proposed redevelopment of sheltered housing

Councillor Marc Francis **moved**, and Councillor Amina Ali **seconded**, the motion as printed on the agenda.

Following debate, the motion was put to the vote and was **agreed**.

RESOLVED

This Council notes:

- In 2005, Tower Hamlets Council's sheltered blocks - Appian Court, Hugh Platt House, John Bond House, John Tucker House, Lawrence Close, Mandela House, Rochester Court, Vic Johnson House and William Guy Gardens - were transferred to Bethnal Green & Victoria Park Housing Association (BGVPHA) following a ballot of tenants;
- BGVPHA subsequently merged with Labo Housing Association to form Gateway Housing Association;
- New kitchens and bathrooms were fitted in all 240 of the sheltered flats and some improvements were made to communal areas and facilities in those blocks;
- However, one block, John Bond House, was demolished and replaced with general needs housing / shared ownership homes and a second block, William Guy Gardens, was also partially demolished, with a number of elderly residents being decanted into Appian Court and Vic Johnson House in each case;

- Gateway HA has now notified a dozen elderly residents in Vic Johnson House of its intention to decant them so it can partially demolish that block to build additional housing;
- Residents are overwhelmingly against this proposal and have asked councillors for support in their campaign.

This Council believes:

- The demolition of Vic Johnson House is unnecessary and will result in serious upheaval for at least a dozen elderly and vulnerable residents and disruption to the lives of those left living amidst a building site while construction work is carried out;
- This proposal is at odds with the promises made to residents as no mention was made of demolition in Gateway's "Offer Document".

This Council resolves:

- To call on the Mayor of Tower Hamlets to notify Gateway HA that LBTH does not support its proposal and will challenge any attempt to pursue it.

12.8 Motion regarding Chief Executive recruitment

Councillor Rachael Saunders **moved**, and Councillor Shiria Khatun **seconded**, the motion and tabled an amended version.

Following debate, the amended motion was put to the vote and was **agreed**.

RESOLVED

Council Notes:

This Council is taking the lead on putting our own house in order, to rebuild the reputation of this borough.

This Council regrets the negative impact on local people of the press coverage of how this council is being led and managed.

The Council is committed to maintaining excellent quality of services for our residents, and recognizes that in order to do this it needs to have strong and stable leadership to support the excellent work of the council staff.

This Council recognizes the work that has been done to date with interim arrangements following the council's previous failure to appoint a chief executive.

This Council confirms its view, as stated verbally by a number of councillors at the 30th July 2014 meeting, that a clear and transparent process for

appointing a permanent chief executive to work with the Elected Mayor and councillors to deliver the quality of services for which Tower Hamlets has been known in the past should be put in place.

That to tackle negative publicity and rebuild trust, this council needs a chief executive that can be held to account by all councillors and the Mayor for the implementation of decision making, and can be open about the basis on which executive and council decisions are made.

Council recognizes that it is likely to be necessary to seek the advice of external search consultants to help find the right candidate for this important and challenging job.

This Council recognizes that in order to achieve the appointment of a candidate who is acceptable to the whole council, as required by the council's constitution, that whilst the Human resources committee should be charged with responsibility for overseeing process and an Appointments Sub Committee will carry out interviews, the outcome of those interviews should be reported in sufficient detail to full council to allow the decision about appointment to be made by full council and not to be made on the recommendation of a single candidate from an Appointments Sub Committee, except to the extent that the recommendation may indicate there is only one suitable candidate.

That because accountability and transparency are important, the appointments sub committee for the appointment of the Chief Executive should have the same membership as the HR committee, with political groups making substitutions if they choose, and with the same expectation of transparency, including publishing minutes with appropriate redactions to align with rules on confidentiality.

This council would welcome the participation of the executive Mayor in all parts of the recruitment process, including those HR committee is responsible for. Cllr Saunders emailed the Mayor and others on the 27th August to seek a conversation about how this process can best work in collaboration between councillors and the Mayor.

Council commits to the outline timetable below, on the basis that the HR committee is empowered to adjust this timetable if necessary, but that the appointment of a chief executive should be made by April 2015 at the very latest:

- A. Agree overall process – Council – 10 September 2014
- B. Progress report to HR committee on 15th September 2014
- C. Procurement of search consultancy by 7 October 2014
- D. Brief for appointment and job description to be agreed by HR committee on 22 October 2014 together with criteria for establishment of an Appointments Sub Committee.
- E. Advert and search to be public by 7 November 2014
- F. Closing date for advert to be 15 December 2014
- G. Sift for long list to be agreed by 7 January 2015

- H. Long list report back from search consultants to be done by 31 January 2015
- I. Appointments Sub Committee to agree shortlist – February 2015
- J. Appointments Sub-committee to conduct interviews of shortlisted candidates by 24 February 2015
- K. Report on outcomes including recommendations of the Appointments Sub Committee to be presented to each member of the executive, requesting that the Mayor notify any objection to the appointment of any of the shortlisted candidates by 5 March 2015.
- L. Report on outcomes including recommendations of the Appointments Sub Committee and any objection made on behalf of the executive to be considered by full council on 5 March 2015 where a decision on an appointment can be made.

Motions 12.3, 12.4, 12.6, 12.7 and 12.9 – 12.11 were not debated due to lack of time.

13. EXCLUSION OF PRESS AND PUBLIC

No motion to exclude the press and public was passed.

14. EXEMPT MINUTES

[Considered at the same time as Item 3 – Unrestricted Minutes]

RESOLVED

That the exempt/confidential minutes of the Council meeting held on 30 July 2014 be confirmed as a correct record and the Speaker be authorised to sign them accordingly.

15. URGENT MOTIONS

The Council agreed to suspend Procedure Rule 13.1 to enable the following urgent motion to be debated without notice:

15.1 Motion regarding Tower Hamlets Council's judicial review on the Best Value Inspection

Councillor Peter Golds **moved**, and Councillor Craig Aston **seconded**, a tabled motion on the above matter.

The Interim Monitoring Officer advised the Council on legal matters in relation to the tabled motion.

Councillor Peter Golds then **moved**, and Councillor Craig Aston **seconded**, an amended version of the tabled motion.

Following debate, Councillor Joshua Peck **moved** an amendment to the tabled motion, to replace in bullet point two “the Chair and Vice-Chair of Overview and Scrutiny” with “The Overview and Scrutiny Committee”. Councillors Golds and Aston indicated that they accepted this amendment and altered their motion accordingly.

Adjournments

During the debate of this motion the Speaker agreed two adjournments to allow officer advice to be procured. The first adjournment began at 20:45 and the meeting reconvened at 20:58. The second adjournment began at 21:02 and ended at 21:04.

Procedural Motion

After the first adjournment, the Speaker, Councillor Abdul Mukit MBE, **moved**, and Councillor Khalis Uddin Ahmed **seconded**, a procedural motion “that under Procedure Rule 14.1.16 Councillor Md. Maium Miah be not further heard” due to misconduct. The procedural motion was put to the vote and was **agreed**.

Following further debate, the amended motion was put to the vote and was **agreed** as below. Accordingly it was:-

RESOLVED

That this Council instructs:-

- The Overview and Scrutiny Committee to review the process whereby the decision to seek a Judicial Review was implemented.
- The Overview and Scrutiny Committee , in conjunction with the Head of Paid Service, engage a completely Independent legal advisor to provide assistance to the Committee when this is considered
- That a report by Overview and Scrutiny be prepared and presented to the full Council for consideration.

Under Procedure Rule 17.6, the following Councillors requested that it be recorded that they had not voted on the above motion, having left the chamber during discussion of the motion in light of the advice of the Interim Monitoring Officer:

Councillor Ohid Ahmed
Councillor Suluk Ahmed
Councillor Mahbub Alam
Councillor Shah Alam
Councillor Shahed Ali
Councillor Abdul Asad
Councillor Alibor Choudhury

Councillor Gulam Kibria Choudhury
Councillor Shafiqul Haque
Councillor Aminur Khan
Councillor Rabina Khan
Councillor Abjol Miah
Councillor Harun Miah
Councillor Md Maium Miah
Councillor Mohammed Mufti Miah
Councillor Muhammad Ansar Mustaquim
Councillor Oliur Rahman
Councillor Gulam Robbani

The meeting ended at 10.48 p.m.

Speaker of the Council

**APPENDIX A – WRITTEN RESPONSES TO THOSE QUESTIONS FROM
COUNCILLORS THAT WERE NOT PUT AT THE MEETING**

8.12 Question from Councillor Craig Aston

Will the Deputy Mayor give an update on the recent outbreak of anti-social behaviour around Narrow Street, Ropemakers Field and Limehouse Basin?

Response by Councillor Ohid Ahmed, Cabinet Member for Community Safety

Thank you Councillor Aston

The areas you mention were all discussed at our tasking meeting with partners on the 1st September 2014 following complaints from local residents reporting incidents.

Since our meeting, we have arranged for additional THEO patrols in the concerned areas between 2000 hours and 0600 hours Thursday to Sunday, as well as additional Neighbourhood Policing Team patrols at all other times. This should help us to identify individuals being anti-social and to tackle the behaviour head-on.

As individuals are identified, partners will work together to consider all appropriate enforcement options to moderate their behaviour to acceptable levels. Furthermore, these additional resources will be reviewed every 2 weeks.

Partners are also working with the Limehouse Basin Security Forum to raise awareness of residents on how to report any incidents and specific locations and times for the additional patrols to target. Thank you

8.13 Question from Councillor Denise Jones

Why hasn't the Mayor agreed to sign up to Source London Electric Vehicle charging scheme with other partners in Tower Hamlets that 27 other London Boroughs and 38 private partners have already signed up to? Some residents in the borough own electric cars and most drivers prefer to charge their vehicles near their homes. Does the Mayor agree that if there were more accessible charging points residents might be encouraged to buy electric cars which would reduce carbon emissions in the borough?

Response by Councillor Shahed Ali, Cabinet Member for Clean and Green

Thank you for your question.

The Mayor has not signed up to the TfL Source London agreement because so far there appears to be limited demand for charging spaces.

As you are aware, we face considerable demand for on street parking and we want to ensure residents are able to park near their homes. Keeping dedicated empty spaces would I'm sure cause considerable concern amongst residents.

The Council does however have a policy of encouraging the provision of electric charging points in off-street parking areas and particularly in private residential car parks within new developments, as it is the home destination where most drivers would seek to charge their vehicle.

A charge point was secured in the Tesco's car park at Bromley-by-Bow but Tesco's staff have commented that demand is extremely low.

In addition, the E Car club (<http://www.e-carclub.org>) has installed 4 off-street electric car club vehicles in Chrisp Street.

The Council will monitor the situation to evaluate when a sufficient critical mass of electric cars might make it more feasible to provide dedicated charging spaces.

8.14 Question from Councillor Abjol Miah

It was great to see a new outdoor gym being opened in Leven Road in August, just a month after the new football pitch in Stepney in July. Please can the council let us know the other initiatives that the council run to help keep people fit and healthy for free in our borough?

Response by Councillor Shafiqul Haque, Cabinet Member for Culture

Thank you Councillor Abjol for your question.

The Council's Sport & Physical Activity Team organises and supports a wide programme of free activities, events and courses for residents to keep active and healthy.

A programme of 10 sport & play festivals were organised at various parks across the borough over the Summer period, which was attended by approximately 8,000 people.

Amongst many schemes such as Fit4Sport, a partnership project with the Idea Stores, that offers adult residents in the Poplar and Lansbury area the opportunity to participate in 10 different sports ranging from cricket to boxing and women only Zumba classes, the Idea Stores also offer a wealth of free resources including self-help publications, an on-line directory, book groups and well-being events to support local residents to keep active and healthy.

A new fitness initiative called "Our Parks" started in August in the following Parks:

- Victoria Park

- Mile End Park
- Millwall Park
- Bethnal Green Gardens,
- Stepney Green Park and
- King Edward Memorial Park

Sessions under 'Our Parks' include Hula hoop fitness, pilates, dance fit, skip fit, box fit and yoga.

We also hold a term-time, a swimming and multi-sport programme for people with disabilities takes place weekly at Mile End Park Leisure Centre.

8.15 Question from Councillor Peter Golds

Will the Mayor provide the details as to the disposal of the land, 111-113 Mellish Street, E14?

Response by Councillor Alibor Choudhury, Cabinet Member for Resources

Thank you for your question Councillor Golds.

There is a 3 year lease which was granted to Docklands Community Organisation after being advertised for two weeks in the East London Advertiser and the East End. They were the highest of 3 bids. They work with the elderly and disabled in the Docklands area.

8.16 Question from Councillor Rachel Blake

How many empty shops has the council brought back into use on Roman Road through its Town Centre funding?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you for your question.

The Council's Enterprise Team, in 2013, have commenced a pilot project called "Enterprising Town Centres Initiative" (ETCI) to bring back vacant shop premises into use concentrating on small enterprise development. The pilot project was concentrated on Roman Road, and it was anticipated that, following the pilot, the initiative could be extended to other town centres in the borough. It is through this initiative that efforts have been made to identify suitable vacant premises in Roman Road.

The agreed basis for the project is that tenancies of identified premises should be secured at a less-than-market rent whilst also being mindful that we do not distort the market value of the properties involved through overpayment.

The Enterprise Team is currently in negotiation with a landlord in Roman Road to agree terms for a property on this basis. At the same time a review of the ETCI pilot is underway to examine how to overcome barriers to bringing vacant private landlord properties back into use.

8.17 Question from Councillor Mohammed Mufti Miah

Please could the Cabinet Member for Housing update us on what work the Council is currently undertaking with the GLA to secure more affordable homes in Tower Hamlets?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you for your question Councillor Miah.

The Council has a very close working relationship with the GLA and together with RP partners we have delivered the most affordable housing in the Country for the last 5 years. Despite being only 1.3% of London's land, we are providing 10% of the Mayor for London's Housing growth.

We are successfully working with the GLA on large and ambitious estate regeneration schemes such as Blackwall Reach and the Ocean Estate.

The results of bids for the GLA 15-18 grant programme were announced on 24th July 2014. Most of the bids in Tower Hamlets were successful and the grant programme will deliver almost 1,600 new affordable units by March 2018.

The Council has also secured funding from the GLA to help deliver 460 new Council homes. The GLA is looking to create 20 Housing Zones within London. Tower Hamlets has been selected as a 'front-runner' in the bidding process for the Tower Hamlets Poplar Riverside Housing Zone.

This zone will produce over 8000 new homes during the next decade and our ambition is that 50% of these homes will be affordable.

8.18 Question from Councillor Amina Ali

How many times have the THEOs patrolled Grove Hall Park in the last 12 months?

Response by Councillor Ohid Ahmed, Cabinet Member for Community Safety

Thank you for your question Councillor Ali.

Patrol records for Grove Hall Park are only available for the last 6 months, as formal recording covers Tasked Areas – which Grove Hall Park has only

recently become. The area is now a Tasked Area due to it being subject to a dispersal order.

Therefore, I can give you figures for the last 6 months only. THEOs have patrolled the area 4 times per week over that 6-month period making around 96 patrols overall.

This is in addition to around 120 patrols carried out by the Neighbourhood and Partnership Task Force policing teams over the same period.

8.19 Question from Councillor Khales Uddin Ahmed

Can the Lead Member confirm whether the tower blocks on Rainhill Way – Priestman, Hackworth and Mallard Points – are covered by car free legal agreement?

Response by Councillor Rabina Khan, Cabinet Member for Housing and Development

Thank you for your question Councillor Ahmed.

The situation is complex. Following the redevelopment of these blocks, which were granted planning permission in 2005, the new homes are covered by a Car Free Agreement.

This means that new residents are not able to apply for a parking permit. However any residents who were decanted from the original development (prior to refurbishment) were able to retain their permits. In addition of course the car free arrangements do not apply to holders of Disabled Persons Parking Permits not to residents who successfully applied through the Permit Transfer Scheme.

8.20 Question from Councillor Joshua Peck

How many complaints were received about this year's Lovebox festival and what is your view of the success or otherwise of this year's event?

Response by Councillor Shafiqul Haque, Cabinet Member for Culture

Thank you for your question Councillor Peck.

There has been a very significant drop of complaints from 2013 with a total of **35 complaints** despite the fact that this year saw larger numbers of festival goers on the Friday and Saturday. The figure has gone down just over 72% since last year. I am particularly pleased that new measures put in place around the management of noise have proved to be very effective with no complaints on the Saturday about noise.

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 26TH NOVEMBER 2014

PETITIONS

**REPORT OF THE SERVICE HEAD,
DEMOCRATIC SERVICES**

SUMMARY

1. The Council's Constitution provides for up to three petitions to be received at each Council Meeting. These are taken in order of receipt. This report sets out the valid petitions submitted for presentation at the Council meeting on Wednesday 26th November 2014.
2. The deadline for receipt of petitions for this meeting is noon on Thursday 20th November. However, at the time of agenda despatch the maximum number of petitions has already been received as set out overleaf.
3. The texts of the petitions received for presentation to this meeting are set out in the attached report. In each case the petitioners may address the meeting for no more than three minutes. Members may then question the petitioners for a further four minutes. Finally, the relevant Cabinet Member or Chair of Committee may respond to the petition for up to three minutes.
4. Any outstanding issues will be referred to the relevant Corporate Director for attention who will respond to those outstanding issues in writing within 28 days.
5. Members, other than a Cabinet Member or Committee Chair responding at the end of the item, should confine their contributions to questions and not make statements or attempt to debate.

5.1 Petition to reduce the speed limit on Longnor Estate (Petition from Ms. Joan Burton and others)

“To reduce the speed limit on Longnor Estate to 20 m.p.h”

5.2 Petition regarding services for children (Petition from Ms. Christine Trumper on behalf of Community Solutions)

“We plead with the Council not to make any cuts in or to services that affect children, especially in light of London Borough of Tower Hamlets being the borough with the highest rate of child poverty in London.”

5.3 Petition against ‘the witch-hunt on Tower Hamlets’ (Petition from Suja Miah and others)

“We, the undersigned, condemn the recent attacks on our borough both in Parliament and within certain sections of the media, after the publication of the Price Waterhouse Coopers’ (PWC) Best Value Report by Eric Pickles, the Secretary of State for Communities and Local Government into the London Borough of Tower Hamlets.

Tower Hamlets is a high performing Council under the leadership of Mayor Lutfur Rahman, who has been democratically voted in twice by the residents of the borough as their Mayor.

The decision to send Auditors into the Council was political motivated after opposition parties in Tower Hamlets alleged fraud and corruption. The PWC report found no fraud or corruption and it has cost us as taxpayers £1M.

We are proud that Mayor Lutfur Rahman is standing up for Tower Hamlets and deplore the divisive comments made by our two MPs in Parliament. We have signed this petition as a sign of solidarity with Mayor Lutfur Rahman and his administration.”

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 26TH NOVEMBER 2014

**QUESTIONS SUBMITTED BY
MEMBERS OF THE PUBLIC**

**REPORT OF THE SERVICE HEAD,
DEMOCRATIC SERVICES**

SUMMARY

1. Set out overleaf are the questions submitted by members of the public, for response by the Mayor or appropriate Cabinet Member at the Council Meeting on 26th November 2014.
2. The Council's Constitution sets a maximum time limit of twenty minutes for this item.
3. A questioner who has put a question in person may also put one brief supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. Supplementary questions and Members' responses to written and supplementary questions are each limited to two minutes.
4. Any question which cannot be dealt with during the twenty minutes allocated for public questions, either because of lack of time or because of non-attendance of the questioner or the Member to whom it was put, will be dealt with by way of a written answer.
5. Unless the Speaker of Council decides otherwise, no discussion will take place on any question, but any Member of the Council may move, without discussion, that the matter raised by a question be referred for consideration by the Cabinet or the appropriate Committee or Sub-Committee.

QUESTIONS

Ten public questions have been submitted as set out below:-

6.1 Question from Mr Terry McGreenera:

Does the Council's Constitution or the legislative introducing the Executive Mayoral system permit an alternative way to elect a Chair of the Council, a Councillor, other than by Councillors?

6.2 Question from Mr. Stuart Madewell:

Has the Mayor estimated what the likely cost to Council Tax Payers in Tower Hamlets will be for the three Commissioners imposed by the DCLG and supported by the Labour Party?

6.3 Question from Mr. Stephen Beckett:

Why did Communities Secretary, Eric Pickles, send auditors to the Council?

6.4 Question from Mr. Mickey Ambrose:

What did the Police say about the allegations of fraud and corruption that PWC came in to find at the Council?

6.5 Question from Mr. John Allison:

Residents are rightly concerned how the recent PwC report and Eric Pickles' comments have portrayed the borough. Can the Cabinet Member assure us that Council services aren't being affected by this?

6.6 Question from Mr. Mohsin Uddin:

There are reports that Eric Pickles has sent a "hit squad" to Tower Hamlets Council and has taken over the running of the Council. Can the Lead Member confirm is this is true?

6.7 Question from Ms. Kathy McTasney:

Which Organisations received MSG funding from the Council? Was it just Bengali and Somali groups?

6.8 Question from Mr. Gilbert Lindsell:

How much has it cost for the PwC report and where is the funds coming from?

6.9 Question from Mr. Khalik Miah:

Why has the One Stop Community Centre been given a notice to quit?

6.10 Question from Mr. Will Nutland

Could the Mayor tell us why the Council is still spending public money on external lawyers to take Rich Mix, a successful and well loved charity, through proceedings in the High Court when Rich Mix have made a public offer to settle the case with the Council which would ensure that the Council receives the entire £850k it is claiming was paid to Rich Mix, even in the absence of any loan agreement being put in place at the time any money was advanced or any executed agreement being provided to the High Court?

This page is intentionally left blank

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 26TH NOVEMBER 2014

**QUESTIONS SUBMITTED BY
MEMBERS OF THE COUNCIL**

**REPORT OF THE SERVICE HEAD,
DEMOCRATIC SERVICES**

SUMMARY

1. Set out overleaf are the questions submitted by Members of the Council for response by the Speaker, the Mayor or the relevant Committee/Sub-Committee Chair at the Council meeting on Wednesday 26th November 2014.
2. Questions are limited to one per Member per meeting, plus one supplementary question unless the Member has indicated that only a written reply is required and in these circumstances a supplementary question is not permitted.
3. Oral responses are time limited to one minute. Supplementary questions and responses are also time limited to one minute each.
4. There is a time limit of thirty minutes for consideration of Members' questions with no extension of time allowed and any question not answered within this time will be dealt with by way of a written response. The Speaker will decide the time allocated to each question.
5. Members must confine their contributions to questions and answers and not make statements or attempt to debate.

MEMBERS' QUESTIONS

22 questions have been received from Members of the Council as follows:-

8.1 Question from Councillor Clare Harrison

Does the Mayor regret blocking Labour's attempt to recruit a new Chief Executive?

8.2 Question from Councillor Abjol Miah

After 6 months we've finally seen Eric Pickles' £1M Best Value Report. Are Tower Hamlets residents getting best value for money?

8.3 Question from Councillor Peter Golds

Will the Mayor, in view of the confirmation in section 2.112 of the Best Value Inspection by Price Waterhouse that he has "reserved to himself substantially all of the decision making powers which it is legally possible for an Executive Mayor to exercise", answer the following question with regard to the disposal of 111-113 Mellish Street, E14.

Being aware of the comments in Section 5.182 which identify a close relationship between the group seeking to secure 111-113 Mellish Street and himself, will he explain his decision to promote this acquisition by this particular group in light of the flawed process identified in Sections 5.193 to 5.216 of the PWC report?

8.4 Question from Councillor Ayas Miah

What measures will the Mayor take to ensure that when a transfer of property takes place there is a proper process set up in order to meet the council's best value duty?

8.5 Question from Councillor Mahbub Alam

Can the Lead Member list the number of awards achieved by the Council since the arrival of PwC Auditors in April 2014?

8.6 Question from Councillor Chris Chapman

Will the Mayor inform the Council as to why he was absent from the Remembrance Day Commemoration on Sunday November 9th?

8.7 Question from Councillor Rachel Blake

What has the Mayor done to secure a tenant for the vacant supermarket unit on Roman Road in the former Morrison's site?

8.8 Question from Councillor Mohammed Mufti Miah

Residents of Bow will be delighted with the new secondary school on the banks of the River Lea. Can the Lead Member for Education and Children's Services update us on the progress with the rest of our secondary school buildings programme?

8.9 Question from Councillor Andrew Wood

Please explain how you the Mayor managed to keep clear from the detail of grant awards whilst also admitting to intervening in 32 cases (PwC report para 2.36)?

8.10 Question from Councillor Shiria Khatun

Will the Mayor take this opportunity to respond to the suggestion of the Secretary of State for Communities and Local Government that he "make a substantial contribution out of his own pocket to the (PwC) report" - surely he would not impose on the people of Tower Hamlets the heavy financial costs of his decision "not to cooperate and to obfuscate and delay" that damning report?

8.11 Question from Councillor Shah Alam

Residents of Mile End Ward were pleased to see this Administration opening a new children's centre on the Bede Estate. Can the Lead Member outline what additional activities the centre will offer to local families?

8.12 Question from Councillor Craig Aston

Will the Mayor explain para 2.33 of the PwC report where 81% of officer recommendations were revised or rejected and 33 applicants were recommended for grants despite not making the minimum criteria?

8.13 Question from Councillor Khales Uddin Ahmed

The Mayor is used to expensive media advice – however does he agree with the now readily available and free advice that he should consider his position?

8.14 Question from Councillor Gulam Kibriya

Crime and tackling anti-social behaviour has been a key concern for our residents. Will the Lead Member for Community Safety highlight the impact of the new mobile Police Station introduced by the Mayor?

8.15 Question from Councillor Julia Dockerill

Will the £407,700 paid to bodies highlighted in the PwC report as failing to meet the minimum criteria now be re-claimed so that it can be granted to organisations that do meet the criteria and do represent all of our local communities?

8.16 Question from Councillor Marc Francis

Will the Lead Member provide an update on the action taken to address council leaseholders' concerns about service charges since the motion agreed by Full Council in January?

8.17 Question from Councillor Maium Miah

Will the Lead Member for Economic Development update us on the progress this Council is making with supporting our young people on the apprenticeship programme?

8.18 Question from Councillor Danny Hassell

Can the Mayor please explain why, despite some of the highest levels of child poverty in both the country and the borough, grant funding for Bromley by Bow is some of the lowest in the borough and why there were significant reductions in grant funding by this administration compared to the recommendations by officers?

8.19 Question from Councillor Ansar Mustaqim

Can the Lead Member update us on progress with implementing the recommendations from the Tower Hamlets Fairness Commission?

8.20 Question from Councillor Candida Ronald

The PwC Inspectors have found severe failures of governance.

"... current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty ..." [2.23]

Their report also details the extraordinary power of the Mayor:

"The Mayor has reserved to himself substantially all of the decision making powers which it is legally possible for an executive mayor to exercise" [2.112]

Does the Mayor accept he is personally responsible for these failures?


8.21 Question from Councillor Harun Miah

Like much of the country, during these tough economic times, many of our businesses and traders are struggling. Can the Lead Member set out how this Administration is supporting our small businesses and high streets?

8.22 Question from Councillor Suluk Ahmed

Can the Lead Member for Housing and Development update us on the progress with the Whitechapel Vision Regeneration and the new Town Hall development?

This page is intentionally left blank

<p>Full Council</p> <p>26 November 2014</p>	
<p>Report of: Stephen Halsey, Head of Paid Services and Corporate Director Communities, Localities and Culture</p>	<p>Classification: Unrestricted</p>
<p>Extension of Substance Misuse Strategy</p>	

Lead Member	Councillor Ohid Ahmed, Cabinet Member for Community Safety
Originating Officer(s)	Andy Bamber, Rachael Sadegh
Wards affected	All wards
Community Plan Theme	Safe and Cohesive, Healthy and Supportive
Key Decision?	Yes

Executive Summary

- 1.1. On 8 December 2010 the government launched its new drug strategy, 'Reducing demand, restricting supply, building recovery: supporting people to live a drug-free life'. The strategy places emphasis on providing a more holistic approach to recovery, aims to reduce demand, takes an uncompromising approach to crack down on those involved in drugs supply, and puts power and accountability in the hands of local communities to tackle drugs and the harm they cause.
- 1.2. In 2012, Full Council adopted a local Substance Misuse Strategy for 2012-15 with 3 core work streams or 'pillars'. These are; prevention and behaviour change, treatment, enforcement and regulation.
- 1.3. The Council has an obligation under section 6 of the Crime and Disorder Act 1998 to formulate and implement strategies in conjunction with other specified responsible authorities for combating the misuse of drugs, alcohol and other substances. The substance misuse strategy contributes towards the Crime and Disorder Reduction Strategy in Tower Hamlets (the Community Safety Plan).
- 1.4. As a major re-procurement of drug / alcohol treatment services is currently underway, the outcome of which will drive changes to the way in which related services are delivered, the DAAT Board and the Community Safety Partnership have agreed a proposal (subject to Cabinet agreement) to extend the current strategy by a year. This will avoid the premature adoption of a revised strategy that would immediately have to be revisited. The current strategy would be extended to March 2016 and a new three year strategy from 2016-2019 would be developed during the course of 2015/16.

- 1.5. The Substance Misuse Strategy is closely linked to the Community Safety Plan and the Health and Wellbeing Strategy, both of which expire in March 2016. It is therefore logical that the term of the Substance Misuse Strategy be aligned to match the terms of these strategies to facilitate a more comprehensive and co-ordinated response to substance misuse.

Recommendations:

Full Council is recommended to:

1. Agree an extension of the current substance misuse strategy by one year to the end of March 2016.

1. REASONS FOR THE DECISIONS

- 1.1 The current Substance Misuse Strategy is due to end in March 2015.
- 1.2 A major reprocurement of drug / alcohol treatment services is currently underway and will facilitate significant change in treatment services across the borough. The new treatment system will not be in place until Q1 2015/16 and should feature in an updated strategy.
- 1.3 The Health and Wellbeing Strategy and the Community Safety Plan both currently run until March 2016 and it would be beneficial to co-ordinate the development of a new Substance Misuse Strategy with the update of these strategies / plans.

2. ALTERNATIVE OPTIONS

- 2.1 An agreement to extend the strategy for a year with a refreshed action plan for 2015/16 to be agreed by DAAT Board.
- 2.2 A new strategy could be developed to start in April 2015 though this is unlikely to be developed and adopted by Council in time for an April start. Due to the significant changes planned for the treatment system over the next year, this strategy would quickly become out of date and would not be congruent with a new Health and Wellbeing Strategy or Community Safety Plan.
- 2.3 The current strategy could be allowed to lapse without a new strategy in place. This would put the Council at risk due to its obligation under section 6 of the Crime and Disorder Act 1998 to formulate and implement strategies in conjunction with other specified responsible authorities for combating the misuse of drugs, alcohol and other substances.

3. DETAILS OF REPORT

- 3.1 The Council has an obligation under section 6 of the Crime and Disorder Act 1998 to formulate and implement strategies in conjunction with other specified responsible authorities for combating the misuse of drugs, alcohol and other substances. The substance misuse strategy contributes towards the Crime and Disorder Reduction Strategy in Tower Hamlets (the Community Safety Plan).
- 3.2 The Substance Misuse Strategy 2012-15 is the first combined drug and alcohol strategy for Tower Hamlets. It is a 3 year partnership strategy and was developed in conjunction with all partners and other significant stakeholders. The strategy is divided into 3 'pillars': Prevention and behaviour change, treatment, enforcement and regulation.
- 3.3 Prevention and behaviour change commitments within the Strategy include: information, promotion and prevention activities, multi-agency communications plan, expansion of screening for alcohol problems, access to good quality education in schools.
- 3.4 Treatment commitments within the Strategy include improving access to and effectiveness of treatment, redesigning the drug / alcohol treatment system to improve outcomes and localise services, targeted outreach for difficult to engage drinkers and drug users, improving our response to parental substance misuse, embedding a recovery focus within treatment services.
- 3.5 Enforcement and regulation commitments within the strategy include actions to enforce law relating to alcohol and drugs and reduce associated antisocial behaviour and crime, implementation and enforcement of borough wide alcohol control zone, under age sales test purchases, operations to uncover illicit alcohol, dealer-a-day initiative, joint tasking approach to drug / alcohol related crime and ASB.
- 3.6 An action plan to accompany the Substance Misuse Strategy was developed and is provided in Appendix 1. The policy approach and priorities established by this strategy are still considered to be highly relevant to the effective tackling of drug and alcohol abuse in the Borough. The DAAT Board and the Community Safety Partnership have, therefore, agreed a proposal (subject to Full Council agreement) to extend the current strategy by a year. The current strategy would be extended to March 2016 and a new three year strategy from 2016-2019 would be developed during the course of 2015/16.
- 3.7 This proposal was considered and agreed by the Mayor in Cabinet on 3rd September 2014 and subsequently considered by the Overview and Scrutiny Committee. The Overview and Scrutiny Committee advised that the strategy be extended for one year and that the action plan for 2015/16 be made more robust by encompassing (a) to (c) below:-

- a) Further work with Registered Social Landlords to improve security for the social housing they manage, and ensure related targets and associated monitoring arrangements are in place.
- b) Ensure both secondary and primary schools have substance misuse and prevention policies and that these are implemented.
- c) Further work to mitigate street drinking and related anti-social behaviour in the borough.

Rationale for extension

- 3.8 The DAAT is currently in the process of re-procuring the entire drug / alcohol treatment system. This is already listed as an objective within the current strategy and links to many other objectives, particularly within the treatment and behaviour change and prevention pillars. A new strategy developed after this procurement has taken place would better be able to reflect the most up to date position and be utilised to embed the ongoing objectives for treatment services.
- 3.9 The Substance Misuse Strategy contributes towards the Crime and Disorder Reduction Strategy in Tower Hamlets (the Community Safety Plan). The current Community Safety Plan runs until March 2016 and it would be beneficial to develop a new substance misuse strategy in conjunction with the development of a new Community Safety Plan.
- 3.10 The LBTH Health and Wellbeing Strategy expires in 2016 and the Joint Strategic Needs Assessment is soon to be refreshed. It would be beneficial to develop a new Substance Misuse Strategy along the same timescale as these to ensure delivery of consistent messages.
- 3.11 An extension to the current strategy would also enable findings from the Community Alcohol Partnership to be incorporated into a new strategy and would ensure the relationships with, and objectives of, the newly structured Probation Service were embedded prior to strategy development.
- 3.12 Capacity within the DAAT is currently limited and it would not be possible to undertake development of a new strategy at the same time as undertaking the reprocurement process within current staffing levels.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. There are no specific financial implications emanating from this report which seeks an extension to the current Substance Misuse Strategy by a year to March 2016.

5. LEGALCOMMENTS

- 5.1. The Council has an obligation under section 6 of the Crime and Disorder Act 1998 to formulate and implement strategies in conjunction with other specified responsible authorities for –

- Reduction of crime and disorder
 - Combating the misuse of drugs, alcohol and other substances
 - Reduction of re-offending.
- 5.2. The Substance Misuse Strategy, which was adopted by Full Council in January 2012, is intended to fulfil the Council's obligation in relation to these two of the areas specified in paragraph 5.1. The Strategy may also be considered to be consistent with a number of the Council's other statutory functions, as outlined in more detail in the report to Full Council of 25 January 2012.
- 5.3. Pursuant to section 17 of the Crime and Disorder Act 1998, the Council is required, before adopting the strategy to have due regard to the likely effect of the strategy on, and then need to do all that it reasonably can to prevent, crime and disorder, misuse of drugs and alcohol and re-offending in Tower Hamlets. There is information in the report relevant to this consideration.
- 5.4. Before adopting the strategy, 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 report indicates that the equality analysis carried out prior to adoption in 2012 of the existing strategy continues to apply.
- 5.5. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 ("the Functions Regulations") specify that the making of crime and disorder reduction strategies within the meaning of sections 5 and 6 of the Crime and Disorder Act 1998 is a function which is not to be the sole responsibility of the Council's executive. This requirement is reflected in the Council's Constitution, which includes a crime and disorder reduction strategy in Article 4 of the budget and policy framework.
- 5.6. Regulation 4 specifies actions which shall not be the responsibility of the executive and these include the following –
- The amendment of any draft plan or strategy submitted by the executive for the authority's consideration.
 - The adoption (with or without modification) of the plan or strategy.
- 5.7. As it is proposed that the existing Substance Misuse Strategy be adopted for a further year, this is a decision which will need to be taken by Full Council.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. Equalities and diversity implications were considered fully during the development of the original strategy and an extension would represent no change to these implications. A full Equalities Impact assessment will be undertaken in conjunction with development of a new strategy.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 The extension of this strategy does not have any greener environment impacts.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. A lapse in the life of an LBTH Substance Misuse Strategy would put the Council at risk due to its obligation under section 6 of the Crime and Disorder Act 1998 to formulate and implement strategies in conjunction with other specified responsible authorities for combating the misuse of drugs, alcohol and other substances. A new strategy is unlikely to be developed and adopted by April 2015.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 The Substance Misuse Strategy contributes towards the Crime and Disorder Reduction Strategy in Tower Hamlets (the Community Safety Plan).

10. EFFICIENCY STATEMENT

- 10.1 An extension to the strategy would not alter proposed expenditure or service delivery.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Substance Misuse Strategy Action Plan Update
- Equality Analysis Quality Assurance Checklist
- Tower Hamlets Substance Misuse Strategy 2012-2015

Background Documents – Local Government Act 1972

- None

Officer contact details for documents:

- Rachael Sadegh ext 0395, Rachael.sadegh@towerhamlets.gov.uk

Appendix 1: Substance Misuse Strategy Action Plan

Revision history

1. Initial draft produced by Rachael Sadegh
2. Proposed amendments made at 1st Strategy action plan steering group (22/11/11)
3. Proposed amendments made at 2nd Strategy action plan steering group (15/12/11)
4. Amendments made by RS / BA for strategy steering group(14/05/12)
5. Amendments made at 3rd Strategy action plan steering group (14/05/12)
6. Amendments made following comments from DAAT Board (28/05/12)

Prevention and Behaviour Change						
	Owner	Action	Deadline	Key Performance Indicator	Milestone	Progress Update
PB C1	Public Health, Safer Communities, LBTH, Children, schools and Families Directorate, LBTH	Develop a multi-agency communications plan for service users (adults, young people) and professionals with a focus on: <ul style="list-style-type: none"> - harm reduction and safe drinking levels, targeting communities with high levels of alcohol related harm - drug related harm and treatment services available - Supporting parents to address drug and alcohol misuse with their children. 	December 2012	<ul style="list-style-type: none"> • Communications plan developed and agreed by partners including LBTH, NHS, ELFT, MPS, Probation. • Heightened awareness of services and referral pathways along continuum of need. • Increased referral rates from a wide range of front line services. 	<ul style="list-style-type: none"> • Communications plan to be presented to / agreed at November DAAT Board. • Communications activity to commence in January 2013. 	<ul style="list-style-type: none"> • Communications plan agreed and activity in progress

Prevention and Behaviour Change						
	Owner	Action	Deadline	Key Performance Indicator	Milestone	Progress Update
PB C2	Children , Schools & Families Director atelBTH	<p>Ensure that school staff, pupils and parents receive substance misuse education via:</p> <ul style="list-style-type: none"> • Tailored support provided to schools across the borough as part of their Healthy Schools work including support to develop and deliver evidence based curricula, lesson plans, resources and policies. • Central training for teachers in drugs and alcohol education, delivery of targeted advice/support and management of high risk children and young people • Delivery of parent information sessions regarding drugs and alcohol; harm reduction, advice for their children and how to access services • Delivery of drugs / alcohol education training to youth centre staff to strengthen their ability to identify, support and refer children and young people identified as experiencing problems relating to substance misuse • Develop scheme of work for teachers around drugs and alcohol • Implement an alcohol peer led project to train year 9 pupils to educate their peers and local primary school pupils. 	Ongoing	<ul style="list-style-type: none"> • Uptake of teachers' training in delivery of substance misuse lessons • Information regarding treatment and access to services along continuum of need available to pupils, teachers and parents • School adherence to NICE guidance on school based interventions on drugs / alcohol • Increased referrals into young people's treatment services. • 88% of schools achieving healthy schools status or renewing 	<ul style="list-style-type: none"> • 9 schools to have attended central training by Jul12. • 12 sessions for parents to be delivered by Jul 12. • 18 youth centre staff to be trained by Jul 12. • 20 primary schools to have engaged with the alcohol peer led project by Jul 12. • School based drug / alcohol INSETs to be delivered by Jul 12 in 10 primary schools and 2 secondary schools. • 4 peer educator training sessions to be delivered in secondary schools and 20 in primary schools by Jul 12. 	<ul style="list-style-type: none"> • Training delivered and further programmes scheduled

Prevention and Behaviour Change						
	Owner	Action	Deadline	Key Performance Indicator	Milestone	Progress Update
PB C3	Public Health / Safer Communities (LBTH)	<p>Understand local trends in alcohol/ drug consumption to inform target work by undertaking the following activities and incorporating into the needs assessment process:</p> <ul style="list-style-type: none"> • A repeat of the Healthy Lifestyles Survey to include population level patterns of alcohol consumption and sexual health and drugs questions. • Annual analysis of GP drugs / alcohol NIS data. • Utilisation of available Criminal Justice System data sets to inform understanding of local trends in alcohol/drug consumption. • Utilisation of treatment data collected across all equality strands to inform targeted provision • Analysis of available datasets including hospital admissions, drug / alcohol related deaths, accident and emergency presentations and outreach data to inform needs analysis 	<p>December 2012</p> <p>September annually</p>	Annual needs assessment reports / updates produced which further develop knowledge of drug / alcohol consumption trends in Tower Hamlets.	<ul style="list-style-type: none"> • Develop specification for new survey and systems – March 2012 for procurement in 12/13. • Agree CEG data collection – June 2012. • Annual Needs Assessment / JSNA fact sheet update produced by December annually. 	<ul style="list-style-type: none"> • Annual needs assessments delivered using all available data • CEG data collected quarterly • Healthy lifestyles survey on hold

Prevention and Behaviour Change						
	Owner	Action	Deadline	Key Performance Indicator	Milestone	Progress Update
PB C4	Public Health / Safer Communities (LBTH)	Strengthen the inclusion of substance misuse in the revised Health and Well Being strategy and ensure inclusion in other relevant strategies including; <ul style="list-style-type: none"> - tobacco control - cardiovascular disease - sexual health - mental health - teenage pregnancy - housing - integrated offender management - licensing 	Ongoing	<ul style="list-style-type: none"> • Substance misuse integrated in cross-cutting strategies of relevance. 	<ul style="list-style-type: none"> • Collate a calendar of refresh dates for relevant strategies. • Approach strategic leads to discuss strengthening substance misuse in each strategy. 	<ul style="list-style-type: none"> • Substance misuse included in Health and Wellbeing Strategy – strategy expires in 2016 • Substance misuse incorporated in sexual health procurement exercise • Tobacco control training to be delivered in treatment agencies
PB C5	Public Health	Undertake a review of prevention initiatives.	March 2013	<ul style="list-style-type: none"> • Comprehensive mapping of prevention initiatives produced, including referral and threshold criteria for initiatives. • Childrens and Adults to be included in scope. 	<ul style="list-style-type: none"> • Mapping event for children’s services – Sep 12 • Mapping event for adults services - Nov 12 • Report findings and recommendations to JCG – Feb 13 	<ul style="list-style-type: none"> • Mapping events held and evaluated • Prevention initiatives included in current re-procurement project
PB C6	Public Health	Pilot the Behaviour Change toolkit to substance misuse service providers to enhance their ability to develop and market their services to key target groups.	December	<ul style="list-style-type: none"> • Attendance by treatment services and other agencies to behaviour change toolkit training sessions • Numbers in attendance for training 	<ul style="list-style-type: none"> • Programme scheduled and services invited • Two pilot sessions to be delivered between September and December with identified agencies 	<ul style="list-style-type: none"> • Training delivered

Prevention and Behaviour Change						
	Owner	Action	Deadline	Key Performance Indicator	Milestone	Progress Update
PB C7	Children , Schools & Families DirectorateLBT H	Implement earlier intervention for individuals in the youth justice system.	June 2012	<ul style="list-style-type: none"> 100% of individuals screened 	<ul style="list-style-type: none"> Implement new screening process Report ongoing performance into Young People's Network Group 	<ul style="list-style-type: none"> Processes implemented and reported

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T1	TH Drug and Alcohol Action Team	Review provision and configuration of drug / alcohol treatment for adults <ul style="list-style-type: none"> - redesign treatment provision - facilitate widespread consultation - conduct equalities impact assessment. 	April 2015	<ul style="list-style-type: none"> • Development of new model of drug / alcohol service provision • Improved referral rates • Improved treatment outcomes. • Reduced spend per successful exit 	<ul style="list-style-type: none"> • Review of existing evidence/data and analysis • Consultation with stakeholders on redesign options • Skeleton delivery model to be developed and agreed • Consultation with stakeholders on final model • Procurement of new treatment system 	<ul style="list-style-type: none"> • Reprourement programme suspended in February 2012. New re-procurement programme currently in progress
T2	NHS North East London and the City	Strengthen primary care responses to substance misuse <ul style="list-style-type: none"> - Evaluation of Network Improved Services in primary care - Provision of ongoing training to primary care providers in SBI and community detoxification 	March 2013	<ul style="list-style-type: none"> • Increased no. of alcohol screens • Increased referrals into structured drug / alcohol treatment. 	<ul style="list-style-type: none"> • Evaluation of NIS to be completed by December 2012. • Report and recommendations to JCG – Feb 13 	<ul style="list-style-type: none"> • New NIS to be incorporated within re-procurement project

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T3	TH Drug Interventions Programme	Ensure the universal offer of alcohol screening is undertaken in custody suites with referrals into treatment services.	May 2012	<ul style="list-style-type: none"> Increased number and percentage of people referred Increased number and percentage of people attended Increased number and percentage of people screened 	<ul style="list-style-type: none"> Quarterly report to DAAT board/IOM board. 	<ul style="list-style-type: none"> Alcohol screening implemented
T4	Police / Public Health	Implement targeted interventions for drug using offenders via: <ul style="list-style-type: none"> The implementation of a universal offer of drugs screening and referral to services in custody. Scoping the value of widening out screening from class A drugs 	May 2012	<ul style="list-style-type: none"> No and percentage of people screened No and percentage of people referred No and percentage of people attended 	<ul style="list-style-type: none"> Quarterly performance report to DAAT Board / IOM board. Screening report to be presented to November DAAT Board? 	<ul style="list-style-type: none"> New screening / testing protocols introduced for offenders

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T5	TH Drug Interventions Programme	Evaluate the impact of proposed changes to mandatory drugs testing for trigger offences on referral into treatment system.	November 2012	<ul style="list-style-type: none"> Cost benefit analysis of accessing people naïve to treatment using mandatory versus intelligence led testing 	<ul style="list-style-type: none"> Report presented to November DAAT Board 	<ul style="list-style-type: none"> Initial report completed, further evaluation required

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T6	Public Health / TH Drug and Alcohol Action Team	Improve the identification of, and response to, individuals with an alcohol problem when presenting to secondary care services including A&E.	March 2013	<ul style="list-style-type: none"> Alcohol champions in place within the Royal London Hospital Acute Trust alcohol strategy in place with buy in from range of stakeholders Improved number of screens and brief interventions delivered. All wards and departments have access to and implement guidance and policy on the appropriate and effective management of alcohol dependent patients and of management of withdrawal from alcohol among these. 	<ul style="list-style-type: none"> Evaluate the work of the alcohol nurse specialists in identification and delivery of brief interventions throughout the acute hospital Trust. Report to the Adult Substance Misuse Joint Commissioning Group the evaluation findings. Agree new service level agreement Performance manage the service quarterly to ensure full implementation of recommendations 	<ul style="list-style-type: none"> Evaluation complete Service to be reconsidered within re-procurement programme

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T7	TH Drug and Alcohol Action Team	<p>Ensure identification and brief advice interventions (IBAs) are routinely offered to adult clients across a range of frontline services including:</p> <ul style="list-style-type: none"> - hostels - social services - sexual health services - patients with long term conditions - patients in mental health services <p>Plan and deliver a course of training sessions to frontline professionals and implement reporting systems (interventions offered, accepted and outcomes) to capture data across 9 equality strands.</p>	October 2012- March 2013	<ul style="list-style-type: none"> • Increased number of IBAs • Improved uptake of treatment services • Provision of IBAs written into service specifications of providers. 	<ul style="list-style-type: none"> • Seek agreement with service leads for widescale approach. • Training schedule planned. • Quarterly reporting of training sessions delivered. 	<ul style="list-style-type: none"> • Training sessions delivered • Widespread screening requires further implementation

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T8	CF&S	Implement a new model of service provision for young people's intervention and treatment, including transition of tier 2 interventions from treatment services and the Youth Offending Team to the Youth Service Targetted Support Team.	October 2012	<ul style="list-style-type: none"> • Development of new model of service provision • Improved referrals into young people's treatment services. • Improved treatment outcomes. • Reduction in the number of young people reoffending as a consequence of drug / alcohol misuse. • Reduction in asset scores of young people engaged via the Youth Offending Team. 	<ul style="list-style-type: none"> • Issue new contracts and partnership agreements – June 12. • Update assessment tool – April 12. • Update and publicise referral pathways – June 12. • Implement treatment outcomes framework – October 12. 	<ul style="list-style-type: none"> • New Young Peoples service commissioned

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T9	TH Drug and Alcohol Action Team	<p>Ensure the needs of young adults with drug / alcohol problems are addressed within the treatment system by:</p> <ul style="list-style-type: none"> • Implementing targeted interventions for this age group • Ensuring adult treatment providers offer an appropriate approach for this age group 	June 2013	<ul style="list-style-type: none"> • Increased referrals of 18-24 year olds into treatment • Increased numbers engaging in treatment 	<ul style="list-style-type: none"> • Commission a targeted intervention for this group – April 2012 • Evaluate the targeted intervention service and incorporate recommendations into core services. 	<ul style="list-style-type: none"> • Project undertaken to engage 18-24 year olds. • 18-24s targeted within re-procurement exercise

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T10	Probation	<p>Improve offenders' (including young offenders') access to alcohol treatment via:</p> <ul style="list-style-type: none"> Targeted drug / alcohol interventions for Youth Offending Team (YOT) clients where alcohol is a feature of offending behavior A review of voluntary access of probation clients into treatment services. Training for probation workers to offer screening and brief interventions. Implementation of pathways for probation clients into alcohol treatment services 	March 2013	<ul style="list-style-type: none"> Demonstrable greater enforcement of Alcohol Treatment Requirement Orders Increased uptake of drug and alcohol treatment services by offenders 	<ul style="list-style-type: none"> Training delivered to Probation workers – March 2012 Pathways confirmed between Probation and TH Community Alcohol Team – April 2012 Quarterly reporting of data Evaluation of performance within annual needs assessment 	<ul style="list-style-type: none"> Extensive training delivered to Probation services Pathways to treatment confirmed Data collated and included within needs assessment Changes to Probation services as a result of Transforming Rehabilitation will necessitate further training once teams embedded Probation pathways into treatment to be reconsidered within re-procurement programme

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T11	TH Drug and Alcohol Action Team	<p>Improve response to parental substance misuse</p> <ul style="list-style-type: none"> - Launch treatment service and social services handbooks for parental substance misuse - Monitor referrals between services - Implement CAF across treatment services - Deliver an annual drug awareness training programme for key frontline staff including:- social services, Police etc. - Ensure needs of families are addressed in individual care plans 	<p>July 2012</p> <p>Quarterly</p> <p>Start June 2012</p> <p>Annual programme starting January 2012</p>	<ul style="list-style-type: none"> • Increased use of CAF by treatment services • Increased referrals between social services and treatment services • Earlier intervention in parental substance misuse • Involvement of families in treatment plans. • Improved uptake of family interventions 	<ul style="list-style-type: none"> • Agree final version of handbooks – July 2012 • Commence eCAF training for treatment services – June 2012 	<ul style="list-style-type: none"> • Handbooks agreed and disseminated • eCAF training delivered to some agencies – further training required

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T12	Children, Schools & Families Directorate, LBTH & Public Health	Improve follow up response for young people presenting to A&E with substance misuse presentations	August 2012	<ul style="list-style-type: none"> Increased referrals into structured treatment. Reduction in the number of young people presenting to A&E with alcohol and substance misuse presentations. 	<ul style="list-style-type: none"> Liaise with A&E leads within the Royal London Hospital to establish consistent referral processes. Update and reinforce referral pathways and protocols from A&E to treatment services. 	<ul style="list-style-type: none"> Further work required
T13	DAAT Board	Appoint therapeutic, strategic and community recovery champions to support and drive recovery across the borough.	August 2013	<ul style="list-style-type: none"> Respected and active champions in place. Clear remits established for champions 	<ul style="list-style-type: none"> Agree remit / role description for champions Agree network of champions across the borough Implement robust communication / feedback activities to maximise impact of champions. 	<ul style="list-style-type: none"> Recovery champions still to be established

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T14	TH Drug and Alcohol Action Team	<p>Support drug /alcohol users to access wrap around services</p> <ul style="list-style-type: none"> • Ensure pathways to education / employment are included in the redesigned treatment system • Maximise links with Jobcentre Plus, work programme providers, Ideas Store Learning and other providers to develop support programmes for drug / alcohol users • Inform the hostels strategy and the procurement of hostel services to ensure the needs of drug / alcohol users are reflected with regards to accommodation needs. 	October 2012	<ul style="list-style-type: none"> • Advice and support given to all service users regarding access to education, employment, training, housing, finance and health including BBV, sexual health and primary care – where appropriate • Improved uptake of education / employment / volunteering opportunities by drug / alcohol users in treatment • Improved accommodation outcomes for drug / alcohol users in treatment. 	<ul style="list-style-type: none"> • Support structures to be written into specifications for re-commissioning of treatment services including outcome measures. • Quarterly reporting of education / employment outcomes • Agree joint working and information sharing protocols with borough work programme providers – Sep 12 	<ul style="list-style-type: none"> • Currently reporting employment outcomes and working with new work programme providers • Support services addressed strongly within re-procurement programme

Treatment						
	Owner	Action	Deadline	Key performance indicator	Milestones	
T15	TH Drug and Alcohol Action Team	<p>Improve the recovery focus within all treatment services to enable recovering drug / alcohol users to re-integrate into their communities:</p> <ul style="list-style-type: none"> • Ensure recovery outcomes integrated into commissioning process via service level agreements and performance management processes. • Implement the outcome star model across all treatment services and produce recommendations for future commissioning. • Develop structured pathways from treatment services to services that offer support around accommodation, financial health, education and employment. 	March 2013	<ul style="list-style-type: none"> • Improved percentage of planned (drug free) exits from treatment. • Improved, measurable outcomes from treatment services relating to: <ul style="list-style-type: none"> • Outcome star performance • Treatment representations • Employment outcomes • Accommodation outcomes • Criminal behaviour outcomes • Drug taking behaviour • Injecting behaviour • . 	<ul style="list-style-type: none"> • Implement outcome star training for all treatment providers – January 2012 • Commence outcome star measurements within core care planning procedures within treatment services – April 2012 • Evaluate outcome star data and produce a report for JCG recommending future targets and contractual changes – February 2013 • Develop and agree workplan for the aftercare working group – August 2012 	<ul style="list-style-type: none"> • Outcome star implemented across all providers and data collated quarterly

Enforcement and Regulation						
	Owner	Action	Deadline	Key performance indicator	Milestones	Progress Update
ER 1	Trading Standards, LBTH	Combat sales to underage drinkers including proxy sales - Underage operations are supported by information / education about licensee responsibilities followed by publicity about prosecutions - Provide advice and training for traders on legal obligations	Ongoing	<ul style="list-style-type: none"> Minimum of 2 targeted under-age sales operations per quarter by the police and trading standards teams 		<ul style="list-style-type: none"> Quarterly operations in place and ongoing
ER 2	Trading Standards, LBTH	Combat sales of counterfeit products at a retail level	March 2013	<ul style="list-style-type: none"> Information provided to traders regarding counterfeit alcohol products Conduct 4 partnership operations annually to uncover illicit alcohol with customs and excise, police and trading standards teams 		<ul style="list-style-type: none"> Annual operations in place and ongoing
ER 3	Safer Communities, LBTH	Produce regular hotspot analysis of key data (crime, drugs, alcohol, youth asb etc) to deliver targeted operations	Quarterly	<ul style="list-style-type: none"> Quarterly analysis reports available Inclusion within annual needs assessment report considered at 		<ul style="list-style-type: none"> Data collated and included in needs assessment

				November DAAT Board		
ER 4	Safer Communities, LBTH	Work closely with police to prevent/address crime and disorder in and around licensed premises	Ongoing	<ul style="list-style-type: none"> Fortnightly joint tasking meetings with police Proactive use of information/intelligence including from victims 		<ul style="list-style-type: none"> Joint tasking meetings in place
ER 5	Safer Communities, LBTH	Effective communication of successful operations via promotion of positive stories in East End Life and via other channels	Ongoing	<ul style="list-style-type: none"> Improved perceptions of drug / alcohol related anti-social behaviour and crime amongst residents 		<ul style="list-style-type: none"> Ongoing promotion of positive stories
ER 6	Safer Communities, LBTH	Improve coordination of young people's and adults outreach with anti-social behavior hotspots	Ongoing	<ul style="list-style-type: none"> Reduce antisocial behaviour by using joint tasking approach across full range of regulatory and enforcement powers 104 outreach referrals into structured treatment annually 		<ul style="list-style-type: none"> Joint tasking meetings in place and attended by outreach team
ER 7	Police	Disrupt the supply of drugs through effective enforcement	Ongoing	<ul style="list-style-type: none"> Minimum of 365 arrests annually for drug dealing offences 	<ul style="list-style-type: none"> Quarterly reports to DAAT Board 	<ul style="list-style-type: none"> Dealer a day programme remains in place and achieving annual targets
ER 8	Police	Ensure drug misusing offenders receive a holistic support package aimed at stopping offending and drug dependence.	March 2013	<ul style="list-style-type: none"> Implementation of a results-focussed Integrated Offender Management programme Reduced re-offending rates amongst drug users 	<ul style="list-style-type: none"> IOM milestones to be added 	<ul style="list-style-type: none"> IOM process in place with police lead
ER 9	DAAT	Support community groups to provide an		<ul style="list-style-type: none"> Improved perceptions of drug / alcohol 	<ul style="list-style-type: none"> Quarterly meetings with CADAA 	<ul style="list-style-type: none"> CADAA now dissolved but community ward forums attended

		<p>impetus for sustained, co-ordinated action aimed at reducing drug related crime</p> <ul style="list-style-type: none"> - Continue to meet with CADAA and provide support for their annual event - Appoint a communities recovery champion to support and drive the recovery agenda across the borough 	<p>Ongoing</p> <p>October 2012</p>	<p>related anti-social behaviour and crime amongst residents</p> <ul style="list-style-type: none"> • Proactive champion in place 	<ul style="list-style-type: none"> • Appointment of communities recovery champion(s) by October 2012 	<p>and drug / alcohol concerns followed up</p> <ul style="list-style-type: none"> • Community events supported by DAAT • Recovery champions yet to be established
ER 10	<p>Safer Communities, LBTH</p>	<p>Utilise powers available within the remit of the borough wide alcohol control zone to control alcohol related anti-social behaviour and crime</p> <ul style="list-style-type: none"> - Target problem areas via joint tasking approach 	<p>Ongoing</p>	<ul style="list-style-type: none"> • Improved perceptions of drug / alcohol related anti-social behaviour and crime amongst residents 	<ul style="list-style-type: none"> • Regular joint tasking meetings • Review of alcohol control zone 	<ul style="list-style-type: none"> • Joint tasking meetings in place

This page is intentionally left blank

EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

Name of 'proposal' and how has it been implemented (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	Extension of Substance Misuse Strategy 2012-15
Directorate / Service	CLC / DAAT
Lead Officer	Rachael Sadegh, DAAT Coordinator
Signed Off By (inc date)	Andy Bamber, Service Head, Safer Communities
Summary – to be completed at the end of completing the QA (using Appendix A) (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="width: 20px; height: 20px; background-color: #28a745; margin-right: 10px;"></div> <div>Proceed with implementation</div> </div> <p>As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>

Page 75

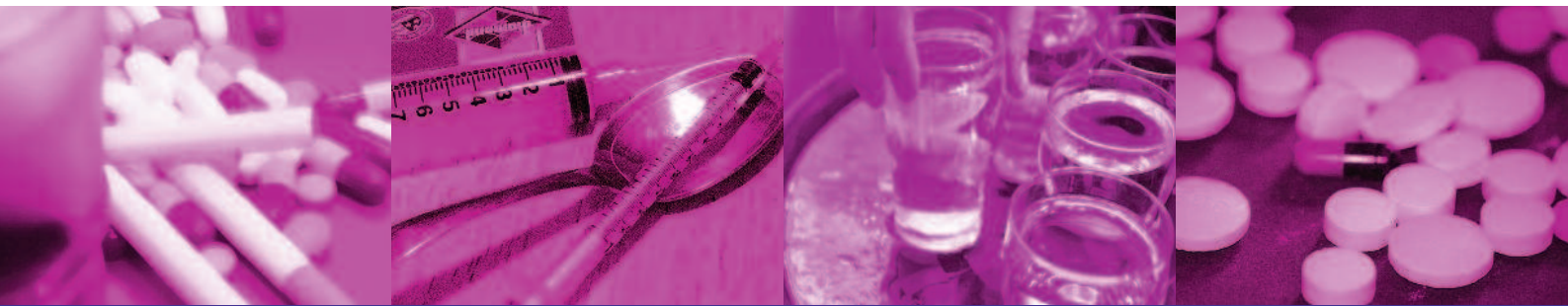
Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
1	Overview of Proposal		
a	Are the outcomes of the proposals clear?	Yes	Current strategy to be extended for 1 year to the end of March 2016, which will enable the service to reflect the

			results of the currently re-procured drug/alcohol treatment system and to incorporate findings from the Community Alcohol Partnership in a new substance misuse strategy. The service users and residents will continue having benefit from the services identified by the current strategy. A new substance misuse strategy will be developed in 2015-16.
b	Is it clear who will be or is likely to be affected by what is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?	Yes	Impact assessed prior to strategy implementation. The service users and residents will continue to have benefit from the current strategy and services. Impact of a new strategy will be assessed during the development process of the new strategy.
2	Monitoring / Collecting Evidence / Data and Consultation		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Yes	Data regarding the impact of the strategy and services have been collected and monitored by the Community Safety Partnership and Drug and Alcohol Action Team (DAAT) Board
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	There is a wealth of data that have informed the current services and will be used prior to developing a new strategy
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	Yes	Stakeholders and residents were involved in the consultation prior to implementation of the current strategy. Also, the DAAT board and others help analyse the data in meetings.
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	Stakeholders and residents were involved in the consultation prior to implementation of the current strategy and there will be further consultation during development of a new strategy.
3	Assessing Impact and Analysis		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	Yes	There is a significant amount of data available on the protected characteristics that have been monitored by various boards. The data will also be used in the development of a new strategy.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Yes	The impact of actions stemmed from the current strategy has been monitored and the service have clear understanding of the impact of the current strategy on different groups. Additional consultation with distinct population groups will be undertaken during the development of the new strategy.

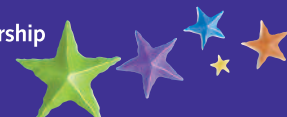
4	Mitigation and Improvement Action Plan		
a	Is there an agreed action plan?	Yes	An action plan to accompany the Substance Misuse Strategy was developed and is provided in Appendix 1.
b	Have alternative options been explored	Yes	A new strategy could be developed to start in April 2015 though this is unlikely to be developed and adopted by Council in time for an April start. Due to the significant changes planned for the treatment system over the next year, this strategy would quickly become out of date and would not be congruent with a new Health and Wellbeing Strategy or Community Safety Plan.
5	Quality Assurance and Monitoring		
a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	The current strategy action plan is monitored by the DAAT Board and there will be a consultation plan and equalities assessment developed as part of the new strategy development.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	Yes	We currently collate data across a number of treatment, criminal justice and public health services which will be used to inform development of the new strategy
6	Reporting Outcomes and Action Plan		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	The service users and residents will continue to have the services that are currently available. The impact of the services will also continue to be monitored by various boards.

This page is intentionally left blank

TOWER HAMLETS SUBSTANCE MISUSE STRATEGY 2012-2015



SUMMARY



FOREWORD

The harms caused by alcohol or drug misuse extend far beyond the individual into families, friends, communities and neighbourhoods, harming health, limiting opportunities and causing significant crime and anti-social behaviour. Whether it is an individual struggling with addiction, a family experiencing the gradual loss of a loved one or communities being blighted by crime to feed drugs habits, we cannot, and will not, ignore the widespread harms.

The most effective way for us to address the harms of alcohol and drug misuse is through working together in partnership work across the Council, NHS, Police, Fire Service, Probation, voluntary and community and sector. Our partnership work will focus on the three pillars of prevention/ behaviour change, treatment and enforcement/ regulation. We are committed to working together to bring the fullest range of interventions to tackle these problems and encourage all sections of our community to seek effective treatment from both Primary Care and specialist providers.

The costs of excessive alcohol consumption and use of illegal substances are borne not only by individuals, their families and friends but broadly across all of the public sector and the economy as a whole. We will continue to help people to make positive choices not to abuse alcohol or drugs, to seek and engage in treatment and ensure that people do not see Tower Hamlets as a place to sell illegal drugs.

As with many areas of the Partnership, Tower Hamlets is already recognised as a leader in addressing the harms of drugs and alcohol through both enforcement and effective treatment. Working together we commit ourselves to address the underlying causes of alcohol and substance misuse. We will continue to both lead and innovate whilst recognising that the current financial situation means we have to, more than ever, ensure all investments provide the most cost effective ways of pursuing our collective aims of preventing alcohol or drugs misuse, encouraging effective treatment and protecting our communities from crime.

Lutfur Rahman,
Mayor of Tower Hamlets

Cllr Ohid Ahmed,
Deputy Mayor of Tower Hamlets

Dr. Somen Banerjee,
Joint Director of Public Health, NHS
North East London and the City

Chief Superintendent David Stringer,
Tower Hamlets Borough Commander,
Metropolitan Police Service

Gary Atherton,
Assistant Chief Officer , London
Probation Trust

INTRODUCTION

1

1.1 This strategy summary outlines Tower Hamlets Partnership's approach to tackling the problems associated with drugs and alcohol misuse in the borough. It presents the key actions the Partnership intends to take from 2012-2015, as detailed in the full Substance Misuse Strategy technical document, which is published alongside this strategy summary, and which combined should be read and considered as our one Strategy for drugs and alcohol

1.2 In Tower Hamlets, we have over recent years made considerable progress in reducing the harm caused by drug and alcohol misuse. The London Borough of Tower Hamlets and NHS East London & The City, alongside treatment providers, the Metropolitan Police, and London Probation,

have together worked hard to ensure that we support people to make healthy lifestyle choices, provide high quality treatment and support when needed, and tackle the antisocial behaviour and crime associated with drugs and alcohol

1.3 The Health and Wellbeing Board provides an excellent opportunity to strengthen the Partnership's joined up approach in addressing the wide ranging individual and societal harms caused by drug and alcohol misuse

1.4 The Partnership is keen to build on its progress to date, to further improve our approach to tackling the harm associated with drug and alcohol misuse in the borough, and intends to do so through this strategy

Some successes to date

During 2010/11, there were 1,630 drug users in effective treatment in Tower Hamlets, significantly in excess of our target, and the highest in London, and our treatment services are accessed by people from Black & Minority Ethnic communities at a higher rate than other similar areas.

During 2010/11, there were 409 arrests of dealers of Class A and Class B drugs in the borough, taking the total number of arrests above our target of 365 per year in the dealer a day programme.

We have successfully attracted and secured funding to commission three elements to our local alcohol treatment system; a primary care enhanced service, delivery of an acute hospital Trust screening and brief interventions service and the community alcohol team providing health promotion, assessment, community detoxification, referral to residential treatment and management of complex patients.

Protecting children and young people affected by parental substance misuse remains a local priority. We continue to strengthen the strategic response across the full range of services to target effectively the problems that families face.



WHAT WE KNOW ABOUT LOCAL DRUG AND ALCOHOL ISSUES

2

2.1 In preparing this strategy, we have researched information available regarding the nature and scale of drug and alcohol misuse in the borough, and the effects on individuals and the local community. Some of the key facts we have established as part of our research, and which have underlined our need for a new strategy, are detailed below

Key local facts: alcohol

- Although the average rate of alcohol consumption across Tower Hamlets is relatively low, due to a large proportion of the population who do not drink, 43% of people who do drink have harmful or hazardous drinking patterns
- Despite the large proportion of the population who do not drink, we have higher than the London average alcohol-related admissions to hospital (most recent available data suggests that Tower Hamlets saw 1,841 per 100,000 alcohol related hospital admissions in 2009/10 compared to a rate of 1,684 in London and 1,743 in England)
- There is a considerable body of international literature showing that treatment for alcohol problems is both effective and cost-effective. In 2010/11, 602 Tower Hamlets residents received structured alcohol treatment.

Key local facts: drugs

- 52% of residents who responded to the Annual Residents Survey (2010/11) said that drug misuse or dealing was a very, or fairly big problem
- As a recent snapshot Tower Hamlets saw 1232 drug related offences (dealing and possession) during April to July 2011, accounting for 12% of all notifiable offences in the borough. During this same period, Tower Hamlets saw the highest number of class A offences in London.
- Where mandatory drug tests in police custody suites were undertaken, 31% of those tested in 2010/11 had a positive result for opiates or cocaine (mostly crack cocaine). There are well documented associations between dependent Class A drug use and acquisitive crime
- The most recent estimate (2010/11) suggests that there are around 3,795 people with problematic drug use in Tower Hamlets; Of this number, 1,775 (47%) are estimated to have not yet engaged with treatment.

2.2 It has been estimated nationally that the cost of alcohol misuse is huge, with at least £6 billion wasted every year. However, it is also a fact that treatment can be cost effective – for every £1 spent on treatment, £5 is saved elsewhere. For drug misuse treatment, similar financial benefits are possible: for every £1 spent on drug treatment in Tower Hamlets, £3.95 is saved on health and crime costs.

THE TOWER HAMLETS APPROACH

3

3.1 We believe that by working in partnership we will more effectively address the problems associated with drug and alcohol misuse than if we were to work alone. The commitments contained in this strategy are therefore the commitments of the Partnership, including the London Borough of Tower Hamlets, NHS East London & The City, the Metropolitan Police, London Probation and voluntary sector providers

Our Partnership Vision

In Tower Hamlets, we will support people and families to make healthy lifestyle choices; we will reduce harm to those at risk, and empower those who are addicted or dependent to recover. We will relentlessly bear down on the crime and anti-social behaviour associated with drug and alcohol misuse that impacts on our communities.

3.2 The Partnership aims to help people who are affected or dependent to recover, by enabling, empowering and supporting them to progress along a journey of sustainable improvement to their health, well-being and independence

3.3 The Partnership is very aware of the serious social, psychological and physical complications of poly drug use as well as combined substance misuse and mental health problems (known as dual diagnosis). We believe that our services are particularly attuned to the needs of complex clients and while this is a historically challenging client group for traditional drug services, we will aim to

ensure that Tower Hamlets services continue to develop to effectively meet their needs

3.4 Carers and family members of substance misusers can often become isolated and feel stigmatised. It is important that the services offered by the Partnership as described in Tower Hamlets Carers Strategy and Commissioning Plan include the needs of substance misusers. We will review the existing provision of mainstream support to carers of people with substance misuse issues and seek to better address their needs

3.5 Alcohol and drug misuse and domestic violence are strongly linked. The Partnership is committed to reducing domestic violence and places safeguarding at the heart of its work to identify and address substance misuse in the family

3.6 To make it clear that we can only continue to progress in our approach to tackling the problems associated with drug and alcohol misuse through partnership working, we have organised our commitments around the three cross-cutting pillars of prevention and behaviour change, treatment, and enforcement and regulation



- **Prevention and Behaviour Change**
Prevention includes the actions we will take to address the wider determinants of health and factors which we know increase vulnerability to drug and alcohol misuse. Such factors include poor quality housing, lack of employment or educational opportunities and intergenerational influences

The National Social Marketing Strategy¹ lays out a framework for addressing both individual and societal push (e.g. peer pressure) and pull (e.g. alcohol advertising) factors

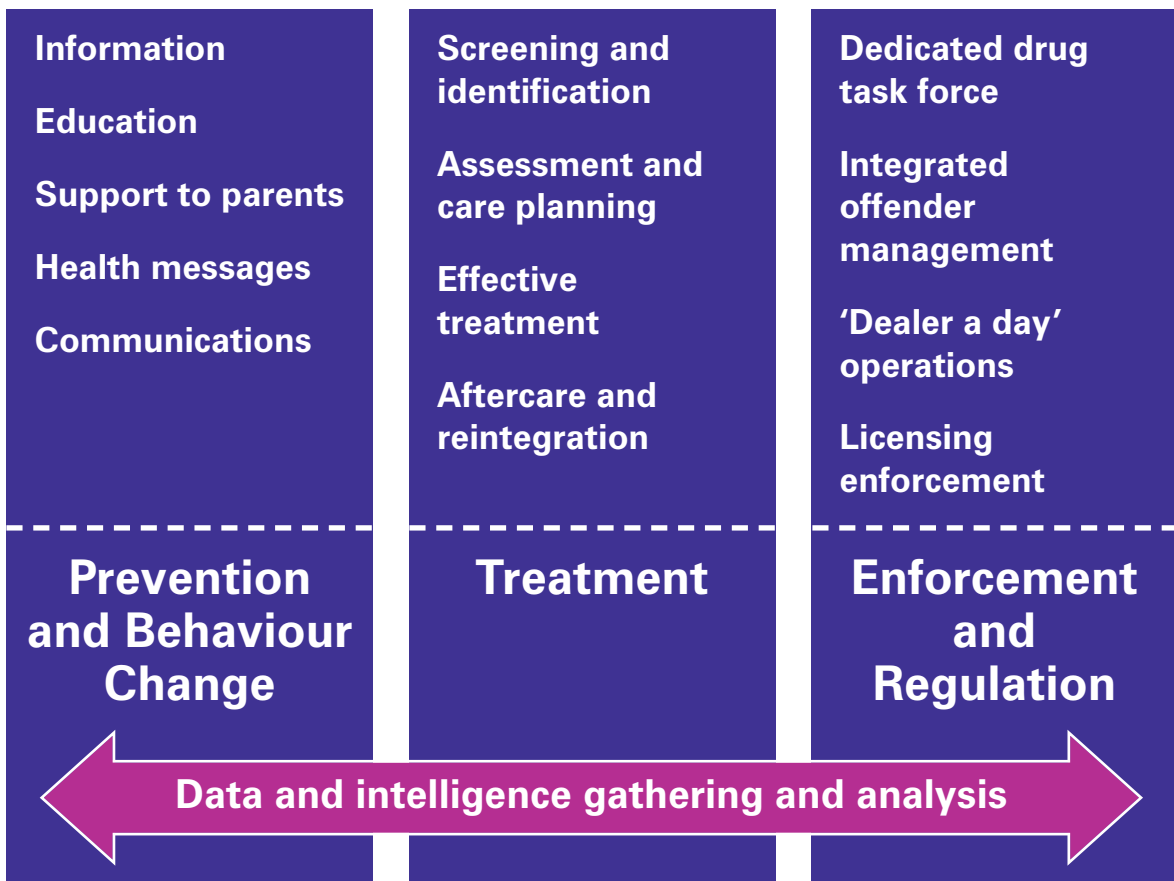
Prevention and Behaviour Change also includes the actions we will take to ensure that high quality information is available on drugs and alcohol, promotion and prevention activities

are developed, and advice and initial support options are made available to people who might have early stage problems with drugs and alcohol

- **Treatment** includes the actions we will take to improve the access to and effectiveness of treatment options for people who are dependent on, or who have problems with, alcohol or drugs
- **Enforcement and Regulation** includes the actions we will take to enforce the law as it relates to alcohol and drugs, and tackle the anti-social behaviour and crime associated with drug and alcohol misuse

¹ Changing behaviours, improving outcomes: A social marketing strategy for public health
Department of Health (2011)

'THREE PILLARS' APPROACH



ALCOHOL HARM REDUCTION: OUR COMMITMENTS



4.1 The aim of our strategy is to reduce alcohol-related problems to improve the quality of life for both Tower Hamlets residents and visitors. We seek to encourage and promote a culture of responsible drinking coupled with responsible management of licensed premises. Our strategy sets out our priorities for addressing alcohol misuse and how we intend to coordinate and deliver them, with key areas set out below

4.2 ACTION ON ALCOHOL: PREVENTION AND BEHAVIOUR CHANGE SUMMARY

4.2.1 We will ensure identification and brief advice and, where appropriate, referral on to other agencies, is routinely undertaken on adult patients and clients attending key frontline services e.g. probation, health and the police. We will explore the potential for this approach to be expanded to paediatric and youth services

4.2.2 We will develop a multi agency communications plan for adults and

young people with a focus on harm reduction, safe drinking levels and targeting communities with high level of alcohol related harm²

4.2.3 We will ensure that young people have access to reliable alcohol education, and support schools to develop effective policies through a "whole schools approach"³ to alcohol

4.3 ACTION ON ALCOHOL: TREATMENT SUMMARY

4.3.1 We will increase access and uptake and improve outcomes from services across primary care, secondary care and specialist services

4.3.2 We will further ensure that access to our services is equitable for all of our local communities. Integral to this process will be the role of our redesigned treatment system

4.3.3 We will strengthen our approach to actively encourage difficult to engage people, such as street drinkers and offenders, into treatment and support, through effective interagency work

² The Chief Medical Officer for England recommends that children should have an alcohol free childhood. If young people aged 15 to 17 years old drink alcohol, it should always be with the guidance of a parent or carer or in a supervised environment.
<http://www.dh.gov.uk/health/category/publications/>

³ The whole schools approach includes:
A supportive school climate, environment and culture created and owned by pupils, parents, carers, governors, teachers, school staff and community organisations Whole school policies and practice developed in line with legal requirements and non-statutory guidance and which complement the aims of the drug education programme.¹ - see Department for Education and NICE for nationally recognised definitions

4.3.4 We will ensure that family based interventions are integral to treatment provision

4.3.5 We will implement a new treatment model for young people which will devolve responsibility for lower level and threshold services to generic front line youth services. The new model will require clearer care pathways, a strong interface with more specialist support and treatment services, information sharing and workforce development

4.3.6 We will ensure that there is rapid access to intensive specialist support for those young people whose alcohol misuse is already starting to cause harm and for the most vulnerable young people this will include locally delivered multi-agency packages of care with the aim of preventing escalation

4.4 ACTION ON ALCOHOL: ENFORCEMENT AND REGULATION SUMMARY

4.4.1 We will implement and enforce a borough wide alcohol control zone to reduce anti- social behaviour

4.4.2 We will create an environment where anybody under the legal drinking age is restricted from obtaining alcohol through working with licensed premises to ensure responsible alcohol sales, enforcement of any minimum alcohol pricing, and promotion of the available treatment services

4.4.3 We will improve the management and planning of the night time economy through strengthening the role of local residents in regulating the environments where alcohol can be obtained through utilisation of licensing, planning and other regulatory powers

4.5 ALCOHOL HARM REDUCTION: HOW WE WILL MEASURE OUR SUCCESS

4.5.1 We will measure our success against our commitments as detailed above, and in the full Substance Misuse Strategy technical document, by publishing our performance against the outcome indicators below:

- We will reduce the ill-health caused by alcohol, alcohol related accidents and hospital admissions
- We will tackle alcohol related violence, crime, anti social behaviour and related domestic violence
- We will reduce the impact of alcohol related anti-social behaviour as measured by the perception of our local communities
- We will reduce the level of alcohol related harm to children and young people.



DRUGS: OUR COMMITMENTS

5

5.1 The aim of the drugs chapter of our strategy is to reduce the demand for drugs through effective education and prevention, to increase the number of service users entering, engaging with and completing treatment in order to recover from drug misuse and to relentlessly bear down on the crime associated with drugs. Our strategy sets out our priorities for addressing drug misuse and how we intend to coordinate and deliver them, with a summary of key areas set out below. The complete list of strategic priorities is included in the strategy technical document

5.2 ACTION ON DRUGS: PREVENTION AND BEHAVIOUR CHANGE SUMMARY

5.2.1 We will support people to make healthy lifestyle choices by providing targeted communication and community education including information about the support services available alongside targeted support for those who are at risk

5.2.2 We will ensure that our drug information and prevention activity is integrated within our broader health promotion and prevention programmes, to ensure that we offer helpful and accessible information consistently across agencies, and that front-line staff in all relevant settings have the right skills and knowledge to provide information and support, including regarding mental health and wellbeing

5.2.3 We will work across the Partnership to develop services that address the wider social determinants of health and wellbeing, such as access to accommodation, employment support, economic wellbeing, educational achievement

5.2.4 We will work in partnership with schools to provide good quality drug education through Social and Emotional Aspects of Learning (SEAL), Personal Social Health Education (PSHE) and pastoral care

5.2.5 We will combine universal prevention activity through schools with a commitment to intervening early, offering targeted support to vulnerable groups of young people at increased risk of substance misuse to prevent this or when problems first arise. We will ensure rapid access to intensive specialist support for those young people whose substance misuse is already starting to cause harm and devise locally delivered multi agency packages of care

5.3 ACTION ON DRUGS: TREATMENT SUMMARY

5.3.1 During 2011/12, we will complete a redesign of treatment services in the borough. The redesign will help us to develop our model for drug treatment in a way that fits with the current and future need of our population, and the evidence available on what works well, and will inform our commissioning intentions for 2012/13 and beyond. We intend that the redesign will help us to simplify access arrangements, strengthen the importance of service user involvement and work across the system to develop a “whole systems” approach. Such an approach entails all providers working together to provide a seamless approach to support for service users

5.3.2 We will work across the Partnership to develop and implement our vision for a recovery orientated treatment service, helping adults who are addicted or dependent to recover, by enabling, empowering and supporting them to progress along a journey of sustainable

improvement to their health, well-being and independence, and focussing support for them to secure accommodation, education and employment, and to re-connect with their local communities

5.3.3 We will support our adult treatment and children's services to improve their response to the needs of children of drug misusers. We will embed good practice and develop a protocol between children's services (including safeguarding) and treatment providers, train workers and support staff to identify and respond to drug using parents and their children

5.3.4 We will target treatment naïve drug misusers and those who have disengaged with treatment, in order to motivate them towards (re) engaging in treatment and progress towards recovery

5.3.5 As with alcohol, our approach will combine universal prevention activity through schools and youth services with a commitment to intervening early, offering targeted support to vulnerable groups of young people at increased risk of substance misuse to prevent this or when problems first arise

5.3.6 As with alcohol, we will implement a new treatment model for young people which will devolve responsibility for lower level and threshold services to generic front line youth services. The new model will demand clarity around care pathways into, and interface with more specialist support and treatment services, information sharing and workforce development

5.3.7 As with alcohol, we will ensure there is rapid access to intensive specialist support for those young people whose substance misuse is already starting to cause harm and for the most vulnerable young people, this will include locally delivered multi-agency packages of care with the aim of preventing escalation

5.3.8 As with alcohol, we will ensure that family based interventions are integral to treatment provision

5.4 ACTION ON DRUGS: ENFORCEMENT SUMMARY

5.4.1 We will disrupt the supply of drugs through effective enforcement, including investment in primary policing enforcement via the 'dealer-a-day' initiative to target drug dealers in the borough, and the coordination of a dedicated drug task force which will focus solely on addressing drug related crime and anti-social behaviour

5.4.2 We will implement a results-focused Integrated Offender Management (IOM) programme to ensure drug misusing offenders receive a holistic support package aimed at stopping offending and drug dependence

5.4.3 We will work alongside community groups such as Communities Against Drugs & Alcohol Abuse to support them in providing an impetus for sustained, coordinated action aimed at reducing drug related crime and strengthening community resilience

5.4.4 We will respond to, and reduce, community concerns about drug use and drug dealing through on-going dialogue and effective communication of successful operations to the public

5.5 DRUGS: HOW WE WILL MEASURE OUR SUCCESS

5.5.1 We will measure our success against our commitments as detailed above, and in the full Substance Misuse Strategy – drugs chapter, by publishing our performance against the outcome indicators below:

- We will increase the number of drug users entering, engaging with and completing treatment
- We will reduce the impact of drug related crime and anti-social behaviour as measured by the perception of our local communities
- We will continue to demonstrate our successes in restricting the drugs trade through our "Dealer a Day" initiative.

UNDERPINNING THE FOUNDATIONS OF THE SUBSTANCE MISUSE STRATEGY



6.1 We believe it is critical to the effectiveness of this strategy to have firm foundations to underpin the three pillars. To this end, we wish to improve our understanding of the needs of our local population in the context of new emergent trends in drug and alcohol use, and to ensure that our treatment system leads to effective outcomes for the whole community

6.2 USE OF DATA, INTELLIGENCE AND SURVEILLANCE

6.2.1 We wish to understand the impact on our population of the use of new drugs such as “legal highs”, steroids, and over the counter and prescribed medicines, and will ensure that these areas are considered in future needs assessments

6.2.2 We wish to develop our understanding of drug markets, distribution and trafficking, to inform our approach to enforcement and community development

6.2.3 We wish to benchmark our treatment outcomes data against other boroughs, to measure how effective our services are, and to help us to further improve them

6.2.4 We wish to ensure that our services and interventions are meeting the needs of the entire Tower Hamlets community, regardless of age, disability, gender assignment, marriage or civil partnership, pregnancy or maternity, race, religion and belief, sex, and sexual orientation, and will therefore work with our commissioned providers to monitor equity of access through audit



6.2.5 We wish to ensure that we have robust mechanisms in place to monitor drug-related deaths, and where appropriate to investigate contributory factors, and learn from them

6.2.6 We intend to ensure that our analysis of need and demand is carried out in a structured and ongoing manner, informed by and in the context of our Partnership Joint Strategic Needs Assessment

6.3 GOVERNANCE

6.3.1 We will keep under review the Partnership governance arrangements for drug and alcohol planning and delivery, to ensure that they are robust and have the capacity and capability to deliver this strategy

6.3.2 We believe that service users and carers have a uniquely valuable contribution to make in the development, improvement and monitoring of services. We will, therefore, further develop mechanisms for effective service user engagement, including developing and implementing a Service User and Carer Charter and supporting the development of peer support/mentors and service user recovery champions. We will also ensure that support is available for carers or significant others who are affected by someone else's drug or alcohol misuse

6.3.3 The Drug and Alcohol Action Team Board will oversee the implementation of the strategy. As drug and alcohol misuse affects many of the Partnership's strategic priority areas, reports on progress will also be provided for other relevant boards

such as the 'Safe and Cohesive', 'Healthy Communities' and Health and Wellbeing Boards as appropriate

6.3.4 Responsibility for developing and implementing the children and young people's substance misuse plan lies with Tower Hamlets Children and Families Trust; representatives of which attend the DAAT board

6.3.5 We will strengthen our cross partnership work by designating within each organisation a senior champion to own, and contribute to the effective delivery of this strategy

NEXT STEPS



7.1 Our strategy has been developed through an analysis of local need, a review of the evidence base for effective intervention, and by listening to the views of local stakeholders. We are committed to ongoing consultation with stakeholders, including service users, the public, children and young people, professionals and community representatives, to further refine our vision and associated actions for the three years ahead

7.2 We recognise and value the expertise and interest among partners in tackling substance misuse in Tower Hamlets. We intend to develop the Strategy's action plan in close collaboration with them through a time limited steering group



LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 26TH NOVEMBER 2014

2014-15 – MID YEAR REVIEW REPORT FOR TMIS

REPORT OF THE ACTING CORPORATE DIRECTOR,
RESOURCES

1. SUMMARY

- 1.1 This report reviews progress on the Treasury Management and Investment Strategy that was approved by Full Council on 26 February 2014 as prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2011).
- 1.2 The report reviews how the Treasury Management team has managed the Council's cash balances, investments, borrowings and treasury related risks. The report also sets out the economic environment and how this has impacted on investment returns.

2. DECISIONS REQUIRED

- 2.1 The Council is recommended to:
 - note the contents of this report,
 - approve the changes to the minimum credit rating criteria; that is the removal of viability or financial strength rating and support ratings as set out in section 10 and table 1 of Appendix 3;
 - approve the updated investment instruments as set out in section 10:15 and table 2 and 3 of Appendix 3; and
 - to approve the proposed new prudential indicator limit for investments over one year but no more than three years to £50million from £25million.

3 REASONS FOR DECISIONS

- 3.1 The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 requires that regular reports be submitted to Council/Committee detailing the council's treasury management activities.
- 3.2 The Council also agreed as part of the Treasury Management Strategy Statement to receive a number of reports. Furthermore, the CIPFA Treasury Management Code of Practice requires that Full Council/Committee should receive a Mid-Year Report reviewing Treasury Management/Investment.

4 ALTERNATIVE OPTIONS

- 4.1 The Council is bound by legislation to have regard to the CIPFA Treasury Management (TM) Code. The Code requires that the Council should receive a mid-year report reviewing treasury management and investment.
- 4.2 If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about treasury management activities and to ensure that these activities are in line with the investment strategy approved by the Council.

5 BACKGROUND

- 5.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2011) has been adopted by the Council.
- 5.2 One of the requirements of the Code is that Full Council/Committee should receive an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-Year Review Report and an Annual Outturn Report (stewardship report) covering activities during the previous year.
- 5.3 The Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision reports were included in the Budget Pack that was presented to Full Council on 26 February 2014. The 2013/14 Outturn report was approved by Full Council on 10 September 2014.

- 5.4 This mid - year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
- An economic update for the first six months of 2014/15.
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy, which constitutes the following:
 - The Council's borrowing strategy for 2014/15.
 - The Council's investment strategy for 2014/15.
 - The Council's investment portfolio for 2014/15.
 - The Council's capital expenditure (prudential indicators).
 - A review of compliance with Treasury and Prudential Limits for 2014/15.

6. AN ECONOMIC UPDATE FOR THE FIRST SIX MONTHS OF 2014/15

6.1 GLOBAL ECONOMY

6.1.1 The Eurozone is facing an increasing threat from deflation. In September, the inflation rate fell further, to reach 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB did take some rather limited action in June and September to loosen monetary policy in order to promote growth.

6.1.2 In September, the U.S. Federal Reserve continued with its monthly \$10bn reductions in asset purchases, which started in December 2014. Asset purchases have now fallen from \$85bn to \$15bn and are expected to stop in October 2014, providing strong economic growth continues. First quarter GDP figures were depressed by exceptionally bad winter weather, but quarter 2 rebounded strongly to 4.6%.

6.2 UK ECONOMY

6.2.1 After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1 and 0.9% in Q2 2014 (annual rate 3.2% in Q2), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also strongly recovering.

6.2.2 The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

6.2.3 This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate.

- 6.2.4 The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates.
- 6.2.5 Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.
- 6.2.6 Also encouraging has been the sharp fall in inflation (CPI), reaching 1.5% in July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly 1%. The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far this year.
- 6.3 COUNCILS TREASURY ADVISOR'S VIEW (CAPITA ASSET SERVICES SECTOR)**
- 6.3.1 Capita Asset Services undertook a review of its interest rate forecasts in mid-August, after the Bank of England's Inflation Report. By the beginning of September, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, had caused a further flight into safe havens like gilts and depressed PWLB rates further. However, there is much volatility in rates as news ebbs and flows in negative or positive ways.
- 6.3.2 This latest forecast includes a move in the timing of the first increase in Bank Rate from quarter 3 of 2015 to quarter 1 of 2015 as a result of the building momentum of strong GDP growth over the last eighteen months. Confidence has also substantially increased that strong growth will continue into 2015 and 2016. However, the Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual as the MPC is concerned about the impact of increases on many heavily indebted consumers, especially when disposable income is currently being squeezed by wage inflation running significantly under the rate of CPI inflation.
- 6.4 The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Bank rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%	2.00%
5yr PWLB rate	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
10yr PWLB rate	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%
25yr PWLB rate	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%
50yr PWLB rate	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%

7. TREASURY MANAGEMENT STRATEGY STATEMENT

7.1 The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by the Council on 26 February 2014, and it comprised the following:

- Borrowing Strategy
- Minimum Revenue Provision
- Annual Investment Strategy
- Treasury Management Policy statement; and
- Prudential Indicators for Treasury Management

7.2 All the Council's treasury activities have been carried out within this strategy framework

8. Borrowing Strategy

8.1 The Council's approved borrowing strategy is set out at Appendix 1. The strategy remains appropriate to meet the Council's financing needs for its capital programme and loan redemptions.

DEBT PORTFOLIO

8.2 As at the 30 September 2014, £35k of General Fund PWLB (Public Works Loans Board) debt had been repaid. The maturity profile of the external borrowing portfolio as at the 30 September 2014 is shown at Appendix 1.

8.3 The table below sets out the Council's debt as at the beginning of the year and 30 September 2014.

	31 March 2014 Principal £'000	Average rate %	30 September2014 Principal £'000	Average rate %
Fixed Rate Funding:				
-PWLB	12,064	7.37	12,029	7.37
-Market	13,000	4.37	13,000	4.37
Total Fixed Rate Funding	25,064	5.81	25,029	5.81
Variable Rate Funding:				
-PWLB	-		-	
-Market	64,500	4.32	64,500	4.32
Total Variable Rate Funding	64,500	4.32	64,500	4.32
Total debt	89,564	4.73	89,529	4.73
CFR	220,720		235,975	
Over/ (under) borrowing	(131,156)		(146,446)	

8.4 **Borrowing Requirement:** The Council has an approved borrowing requirement of £25 million towards financing the 2014/15 Capital Programme and to provide for loan redemptions and replacement. As part of the Council's capital programme £113.7million of capital grants and contributions have also been earmarked to resource internally funded capital schemes.

8.5 Over the next three years, forecasts indicate that investment rates are expected to be below long term borrowing rates. This would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt. This would maximise short term savings

8.6 Hence, there has been no new borrowing during the period 01 April 2014 to 30 September 2014. Total debt outstanding, stands at £89.529m, against estimated CFR of £235.975m for 2014/15, resulting in an under-borrowing of £146.446m

8.7 **Debt Rescheduling:** The debt portfolio is periodically reviewed to see if cashflow benefits can be obtained from rescheduling debt. In the current interest rate environment, PWLB repayment rates are generally not favourable and any rescheduling undertaken would incur a large cash penalty payment, thus limiting opportunities. The portfolio will be kept under review and advice sought from Capita Asset Services as appropriate.

8.8 No debt rescheduling was undertaken during the first six months of 2014/15

9. Minimum Revenue Provision

- 9.1 The Council has a statutory requirement to repay an element of accumulated General Fund capital expenditure each year through a revenue charge known as the Minimum Revenue Provision (MRP). The Council is required to approve each year a Minimum Revenue Provision Policy Statement and make prudent provision. Revenue Provision to repay General Fund capital expenditure debt in 2014/15 is £6.2 million and has been calculated in accordance with the policy statement.
- 9.2 With regard to assets financed under the Public Finance Initiative (PFI) and finance leases that were brought on balance sheet as a result of the accounting changes brought about by the requirement to report in accordance with International Financial Reporting Standards, mitigating regulations allow that MRP be contained within the existing revenue charge so that the effect on the General Fund is neutral. The approved Minimum Revenue Provision Policy Statement for 2014/15 is set out at Appendix 2.

10. Annual Investment Strategy.

- 10.1 The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
- Security of capital
 - Liquidity; and
 - Yield
- 10.2 **Security:** The Council has in place creditworthiness criteria, which the officers had strictly adhered to when making investment decisions during the first six months of 2014/15. Monetary and Capital duration limits are applied to manage counterparty exposure risk. Global markets have remained uncertain and the Council continues to implement an operational investment strategy which tightens the controls already in place within the approved investment strategy. Investment processes are constantly monitored and are regularly reviewed by Investment and Treasury Manager, Chief Accountant and the Acting Corporate Director of Resources.
- 10.3 **Liquidity:** The Council is required to have available, or have access to, adequate resources to enable it at all times to have the level of funds which are necessary for the achievement of its service objectives. Cashflow modelling is used to meet this requirement. The liquidity of the investment portfolio is monitored regularly.
- 10.4 For debt management purposes the Council has in place overdraft facilities with the Council's bankers The Cooperative Bank plc, and has access to the PWLB and the money market to fund capital projects. Internal balances are available to temporarily fund capital expenditure. Whilst this will help reduce the need to invest any surplus cash, this must be balanced against the future requirement to replace these balances, and ensure that sufficient cash is available to meet the Council's liquidity requirements.
- 10.5 **Yield:** The Council has a good record in managing its investment portfolio and seeks to obtain the best return (yield) available on its investments, but it adheres at all times

to the approved investment criteria. The Council compares the return on its investments against the seven day London Interbank Bid (LIBID) rate. Despite the challenging investment environment, as at 30 September 2014 the return on the Council's investments was 0.72%, which compares very favourably against the seven day LIBID rate of 0.35%, which is local authority benchmark.

- 10.6 Officers will continue to work to maintain and strengthen the Council's investment policy and will refer back to Council with any modification thought to be beneficial to the efficient and effective management of the Council's funds.
- 10.7 Credit rating information is supplied by Capita Asset Services, our treasury advisers, on all active counterparties that comply with the criteria as shown at table 1 of Appendix 3. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any credit rate changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.
- 10.8 The Council will lend to the UK Government and its banking sector and to overseas banks from countries with a AAA sovereign rating from Fitch and other credit reference agencies.
- 10.9 The Council uses Fitch ratings (or equivalent from other agencies if Fitch does not provide a rating) to derive its counterparty criteria, but takes into consideration ratings from all three main credit ratings providers when compiling its counterparty list. The Council takes an overall view on its counterparties so that an organisation could be removed from the list if the predominant view of the organisation is pessimistic. Where the overall view of the three main ratings agency is pessimistic, the Council is likely to adopt the most pessimistic of the available ratings.
- 10.10 We have been advised by the Council's treasury adviser that rating assumptions are to be updated by the three main rating agencies in order to remove the implied sovereign support embedded in the creditworthiness of an institution. The agencies are primarily reacting to the European regulatory changes which aim at ensuring the resolvability of banks without government support (e.g., resolution regimes and recovery and resolution plans).
- 10.11 One of the main objectives of these revisions has been to increase transparency relating to the impact of external factors on banks' creditworthiness, such as the probability that they will receive support if they encounter difficulty. Massive government interventions during the banking crisis have indeed confirmed that government support can lower the probability that a bank will default. More recently, in the European countries at the centre of the sovereign debt tensions, the link between major banks' creditworthiness and the perceived problems of their respective sovereign has also been evident. These regulations are due to come into effect January 2016.

- 10.12 The rating changes could happen before this date, as a matter of fact Fitch rating agency has reassessed their overall methodology and Capita, the treasury adviser has stopped using Financial Strength Rating (FSR) and Support Ratings in computing credit worthiness of institutions. Hence we are proposing to amend the Council's basis of formulating counter party template by removing the Viability or Financial Strength Rating (FSR) and Support Rating from the template. As going forward the Financial Strength Rating (FSR) and Support Ratings will, essentially, become irrelevant.
- 10.13 A key issue that faces the efficient and effective management of the Council's cash portfolio currently is that of counterparty availability. The Councils have deposit of £140m outstanding with the part nationalised banking groups and the challenge ahead will be to address the decline in the Government holding in Lloyds Banking Group and the impact that this could have on the counterparty limit that the Council currently applies to this entity.
- 10.14 In addressing this issue, a reduction in the nominal and duration limits has been applied to Lloyds Banking Group. The Council is struggling at the moment to place deposit with institutions as there are not many out there that meets the Council current minimum credit rating criteria. However there are some institutions that meet the Council's minimum credit criteria but offering other financial products that are not included in the Council's Investment Strategy based on the advice of the Council's treasury adviser we have decided to introduce new investments products as this will help with liquidity and diversification issue.
- 10.15 In light of the above points, the preposition to the Council's Investment Policy are as follows:
- The adoption of credit rating criteria as shown at table 1 of Appendix 3 as the minimum credit rating required for an institution to be included in the Council's counterparty list.
 - Inclusion of other financial instruments such as Certificates of Deposits, Treasury Bills, Commercial Papers and Corporate Bonds in line with the Council's credit criteria, as shown in Appendix 3; table 2 & 3.
 - It is proposed that the Councils increase a prudential indicator limit for investments over one year but no more than three years to £50million from £25million.
- 10.16 A breakdown of the Council's investment portfolio as at 30 September 2014 is shown at Appendix 5.
- 10.17 Investments and borrowing during the first six months of the year have been in line with the Strategy, with no deviations.

INVESTMENT PORTFOLIO 2014/15

- 10.18 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to

seek out value available in periods up to 12 months with highly credit rated financial institutions, using our suggested creditworthiness approach including sovereign credit rating and Credit Default Swap (CDS) overlay information.

10.19 Investment rates available in the market have been broadly stable during the quarter and have continued at historically low levels as a result of the ultra-low Bank Rate and other extraordinary measures such as the Funding for Lending Scheme. The average level of funds available for investment purposes during the quarter was £349.95m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.

10.20 The Council's budgeted investment return for 2014/15 was £1.6m, with average rate of return 0.8% for average portfolio balances of £200m.

Benchmark	Council Performance	Investment Interest Earned as at 30 Sept 2014
0.35%	0.72%	£1.301m

10.21 As illustrated, the council outperformed the benchmark by 37 bps. The investment interest earned as at 30th September was £1.3m; this was due to the large investment portfolio balances the Council is currently running with, the average investment portfolio balance of £349.95m as at 30th September 2014.

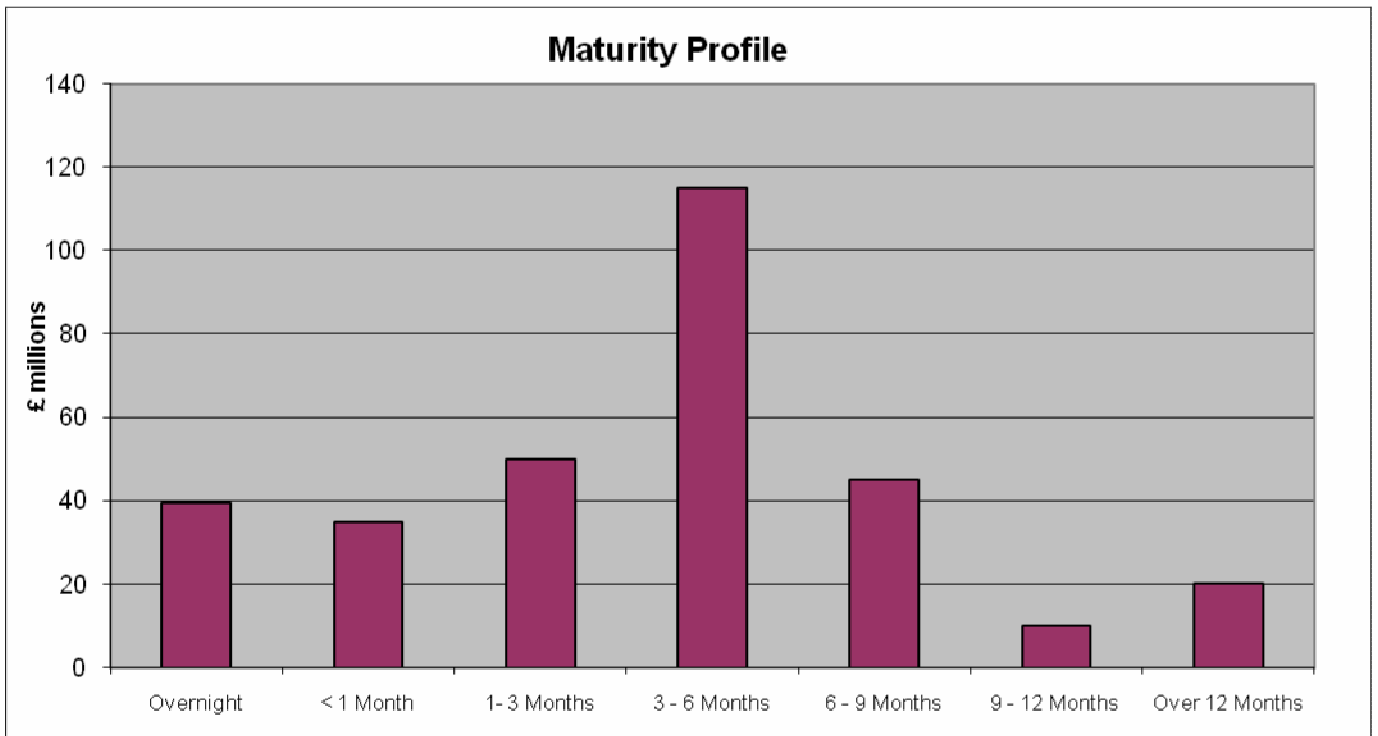
10.22 It has also not been possible to re-invest matured investments at favourably rates due to the low interest rate environment and the limited list of counterparties.

10.23 The council held £314.6m of investments as at 30 September 2014 (£292.45m at 31 March 2014) and the investment portfolio yield for the first six months of the year is 0.72% against a benchmark of 0.35%.

10.24 At the end of September, we have 13% of outstanding investments of £314.6m as overnight money and 27% maturing within 1-3 months, 37% maturing within 3-6 months, 14% maturing within 6-9 months, 3% maturing within 9-12 months and 6% to mature after 12months.

10.25 The Weighted Average Time to Maturity for outstanding investment portfolio is 162.4 days. This is the average time, in days, from reporting date until the portfolio matures, weighted by principal amount.

10.26 The below chart illustrates the maturity structure of deposits as at 30th September 2014 with a detailed list of current investments attached as Appendix 5 of this report.



11. The Council's Capital Position (Prudential Indicators)

11.1 Prudential Indicator for Capital Expenditure - This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at February Council. The programme has been revised to take account of updated profiles; new schemes approved in-year and new capital grant receipts.

Capital Expenditure By Service	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
<i>Education, Social Care and Wellbeing</i>	28.611	22.329
<i>Building Schools for the Future</i>	12.791	6.073
<i>Communities, Localities and Culture</i>	10.165	10.896
<i>Development & Renewal (Excluding HRA)</i>	3.486	20.217
<i>Chief Executive & Resources</i>	0.000	0.000
<i>Corporate General Fund Provision for Schemes under development</i>	12.000	12.000
Total Non - HRA	67.152	71.515
HRA	99.760	126.214
Total	166.913	197.729

11.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategic elements of the capital expenditure plans, highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements. The borrowing element of the table increases the underlying indebtedness of the Council by way of

the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

Capital Expenditure	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
Total Spend	166.913	197.729
Financed By:		
Capital receipts	26.008	25.358
Capital Grants, Developers & SC	115.630	139.908
Capital Reserves	0.000	0.000
Revenue	10.020	17.208
Total Financing	151.658	182.474
Supported	0.000	0.000
Unsupported	15.255	15.255
Total Borrowing Need	15.255	15.255

11.3 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary are detailed in the below table. The Capital Financing Requirement has been amended in line with the borrowing requirement to support the 2014/15 approved capital programme.

	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement		
CFR – Non-HRA	155.606	146.068
CFR – HRA	89.907	89.907
Total CFR	245.513	235.975
Net movement in CFR	25.061	15.255
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	270.513	260.975
Other long term liabilities	0.000	0.000
Total debt 31 March	270.513	260.975

11.4 Limits to Borrowing Activity

11.4.1 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and next two financial years. This allows some flexibility for limited early borrowing for future years.

	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
Gross borrowing	119.872	104.185
Less investments	200.000	200.000
Net borrowing / (Investments)	(80.128)	(95.815)
CFR (year - end position)	245.513	235.975

11.4.2 The Corporate Director, Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

11.4.3 A further prudential indicator limits the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and can only be set and revised by Members. It reflects the level of borrowing which though not needed, could be afforded in the short term but unsustainable long term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	2013/14 Original Indicator	2014/15 Revised Indicator
Authorised limit for external debt		
Borrowing	270.513	260.975
Headroom	20.000	20.000
Other long term liabilities*	0.000	0.000
Total	290.513	280.975

* Excludes PFI schemes and finance leases etc.

12. COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

12.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved TMSS.

12.2 During the financial year to date, the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix 6 at the end of this report.

13. COMMENTS OF THE CHIEF FINANCIAL OFFICER

13.1 The comments of the Acting Corporate Director of Resources are incorporated in the report.

14 LEGAL COMMENTS

- 14.1 The Local Government Act 2003 provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.
- 14.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 require the Council to have regard to the CIPFA publication "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("the Treasury Management Code") in carrying out capital finance functions under the Local Government Act 2003. If after having regard to the Treasury Management Code the Council wished not to follow it, there would need to be some good reason for such deviation.
- 14.3 It is a key principle of the Treasury Management Code that an authority should put in place "comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities". Treasury management activities cover the management of the Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks. It is consistent with the key principles expressed in the Treasury Management Code for the Council to review performance against the strategies and policies it has adopted.
- 14.4 When discharging its treasury management 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. Information is contained in section 15 of the report relevant to these considerations.

15 ONE TOWER HAMLETS CONSIDERATIONS

- 15.1 Interest on the Council's cash flow has historically contributed significantly towards the budget.

16 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 16.1 There are no Sustainable Actions for A Greener Environment implications.

17 RISK MANAGEMENT IMPLICATIONS

- 17.1 Any form of investment inevitably involves a degree of risk. To minimise risk the investment strategy has restricted exposure of council cash balances to UK backed banks or institutions with the highest short term rating or strong long term rating.

18 **CRIME AND DISORDER REDUCTION IMPLICATIONS**

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

19 **EFFICIENCY STATEMENT**

19.1 Monitoring and reporting of treasury management activities ensures the Council optimises the use of its monetary resources within the constraints placed on the Council by statute, appropriate management of risk and operational requirements.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D

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

Investment Reports; Capita Treasury Advisory Services

Bola Tobun(Investment & Treasury) Ext.4733

Mulberry Place, 3rd Floor.

Appendix 1: BORROWING STRATEGY

1. The Council will continue to borrow for the following purposes where it is deemed affordable, sustainable and prudent to do so:
 - Financing of Capital Expenditure
 - Repayment of Maturing Debt (net of Minimum Revenue Provision)
 - Short Term Cash Flow Financing

2. The Acting Corporate Director, Resources or in his absence the Service Head, Financial Services, Risk and Accountability under delegated powers will determine the timing, term, type and rate of new borrowing to take into account factors such as:
 - Expected movements in interest rates
 - Current maturity profile
 - The impact of borrowing on the council's Medium Term Financial Plan
 - Approved prudential indicators and limits

3. Officers will continue to monitor interest rate movements closely and adopt a pragmatic approach to changing circumstances. For example, the following potential scenarios would require a reappraisal of strategy:
 - A significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap
 - A significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.

BORROWING IN ADVANCE OF NEED

4. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

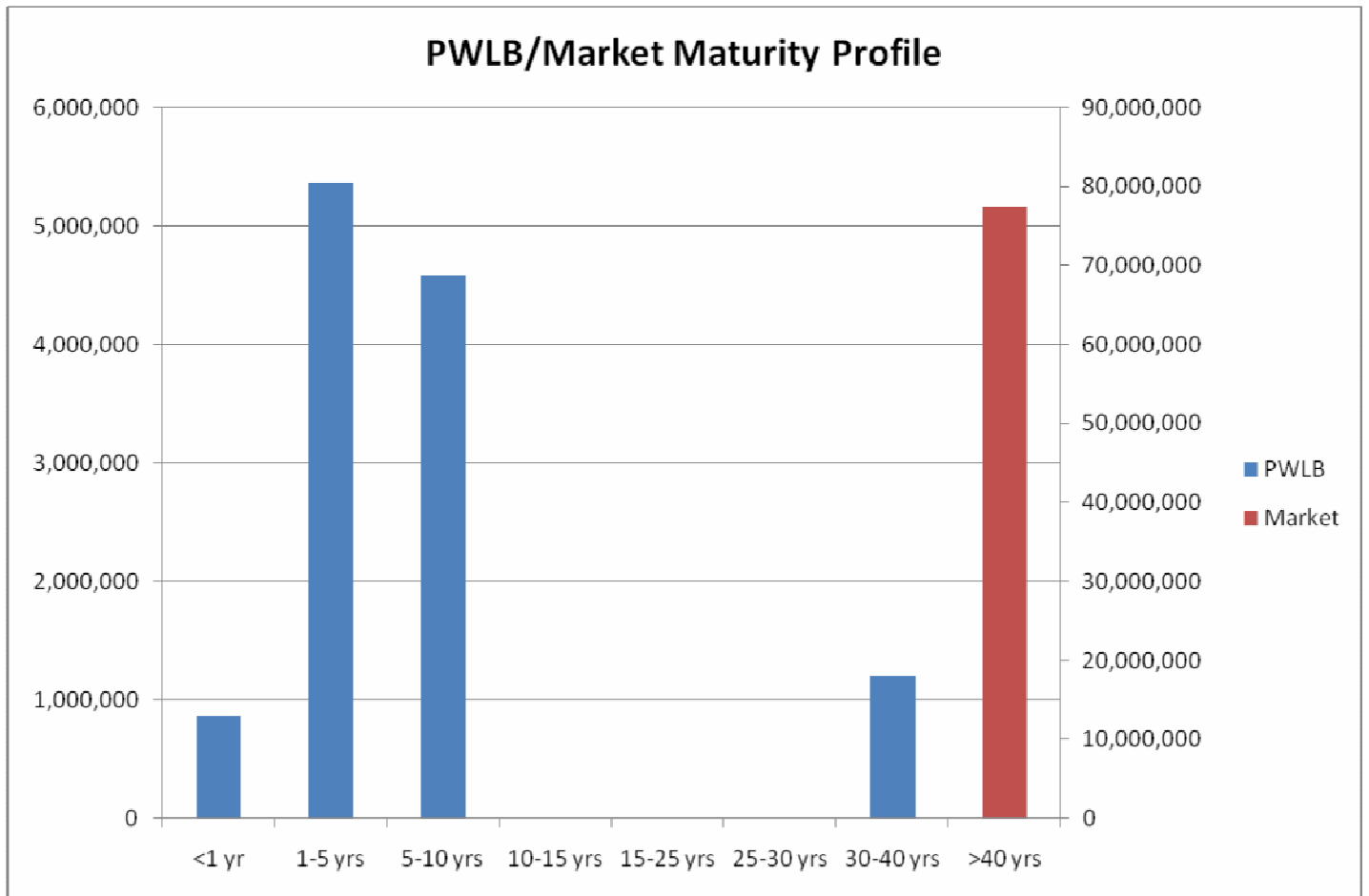
5. In determining whether borrowing will be undertaken in advance of need the Council will;
 - ensure that there is a clear link between the capital programme and maturity profile of existing debt portfolio that supports the need to take funding in advance of need
 - ensure the on-going revenue liabilities created, and the implications for the future plans and budgets have been considered
 - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
 - consider the merits and demerits of alternative forms of funding

- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

DEBT RESCHEDULING

6. The Interim Head of Finance - Resources will continue to consider options to reschedule and restructure the Council's debt portfolio, having due regard for the broad impact of such exercises on the following:
 - The maturity profile – council will only undertake debt restructuring where it benefits the maturity profile
 - On-going revenue savings will be achieved
 - The effect on the HRA
 - The impact of premiums and discounts has been fully considered; and
 - The impact on prudential indicators.
7. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
8. All rescheduling will be reported to the Council, at the earliest meeting following its action.

The Maturity Profile of External Borrowing as at 30th September 2014



Appendix 2: MINIMUM REVENUE PROVISION POLICY STATEMENT

- 1 The Council is required to provide an annual amount in its revenue budget to provide for the repayment of the debt it has incurred to finance its General Fund capital investment. The calculation of this sum termed the Minimum Revenue Provision (MRP) was previously prescribed by the Government.
- 2 The Department of Communities and Local Government (DCLG) now require Councils to establish a policy statement on the MRP and has published guidance on the four potential methodologies to be adopted.
- 3 The guidance distinguishes between supported borrowing which relates to assumed borrowing which is incorporated into the Governments Formula Grant calculation and consequently has an associated amount of government grant and unsupported borrowing. Unsupported borrowing is essentially prudential borrowing the financing costs of which have to be met by the Council locally.
- 4 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made pending finalisation of transitional arrangements following introduction of Self-Financing.
12. The DCLG guidance provides two options for the calculation of the MRP associated with each classes of borrowing.
13. The two options for the supported borrowing are variants of the existing statutory calculation which is based on 4% of the aggregate assumed borrowing for general fund capital investment - termed the Capital Financing requirement (CFR). The two options are:
 - Option 1 (Regulatory Method): To continue the current statutory calculation based on the gross CFR less a dampening factor to mitigate the impact on revenue budgets of the transition from the previous system. This calculation is further adjusted to repay debt transferred to the Council when the Inner London Education Authority (ILEA) was abolished.
 - Option 2 (Capital Financing Requirement Method): The statutory calculation without the dampener which will increase the annual charge to revenue budget.
 -
14. The options purely relate to the timing of debt repayment rather than the gross amounts payable over the term of the loans. The higher MRP payable under option 2 will accelerate the repayment of debt.
15. It is recommended that because of budget constraints in the medium term the existing statutory calculation with the ILEA adjustment be adopted as the basis of the Councils MRP relating to supported borrowing.

16. The guidance provides two options for the MRP relating to unsupported borrowing. The options are:-
- Option 3 (Asset Life Method): To repay the borrowing over the estimated life of the asset with the provision calculated on either an equal instalment or annuity basis. This method has the advantage of simplicity and relating repayments to the period over which the asset is providing benefit.
 - Option 4 (Depreciation Method): A calculation based on depreciation. This is extremely complex and there are potential difficulties in changing estimated life and residual values.
17. It is recommended that option 3 is adopted for unsupported borrowing.
18. The Council is required under regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2003 to determine for each financial year an amount of minimum revenue provision which it considers to be prudent. It is proposed that the Council makes Minimum Revenue Provision using Option 1 (Regulatory Method) for supported borrowing and Option 3 (Asset Life Method) for unsupported borrowing.

Appendix 3: Creditworthiness Policy

- 1 Credit rating information is supplied by Capita Asset Services, our treasury advisers, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.
- 2 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-Specified investments) is:

- i. Good credit quality – the Council will only use banks which:
 1. are UK banks; and/or
 2. are non-UK and domiciled in a country which has a minimum sovereign long term rating of AAA; and

Where rated, have as a minimum, the following Fitch ratings, (for equivalent Moody's and Standard and Poor's credit ratings, see Table 1)

- i. Short term – 'F1'
 - ii. Long term – 'A'
- Part nationalised/wholly owned UK banks (i.e. Lloyds Banking Group and Royal Bank of Scotland). These banks can be included if they continue to be part nationalised/wholly owned or they meet the ratings in Banks (i) above;
 - The Council's own banker (The Co-operative Bank) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time;
 - Building Societies – The Council will use all building societies which meet the ratings for banks outlined above;
 - Money Market Funds – UK, AAA (Sterling);
 - UK Government (including gilts, treasury bills and the Debt Management Account Deposit Facility);
 - Local Authorities (including parish councils, Police and Fire Authorities).
 - Non UK Government
 - Supranational Institutions
 - Corporate Bonds

- 3 Specified investments comprise investment instruments which the Council considers offer high security and liquidity. These instruments can be used with minimal procedural formalities. The Guidance considers that specified investments have the following characteristics: -

- denominated in Sterling and have a term of less than one year;
- have "good" credit ratings as determined by the Council itself.

- 4 All other investments are termed non-specified investments. These involve a relatively higher element of risk, and consequently the Council is required to set a limit on the maximum proportion of their funds which will be invested in these instruments. The Strategy should also specify the guidelines for making decisions and the circumstances in which professional advice is obtained.
- 5 Investment instruments identified for use in the financial year are listed in tables 3 and 4 below under the ‘Specified’ and ‘Non-Specified’ Investments categories with the associated counterparty limits as set through the Council’s Treasury Management Practices – Schedules.

Specified Investments:

- 6 It is recommended that the Council should make Specified investment as detailed below in Table2.
- 7 All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum credit quality criteria where applicable. The Council will continue its policy of lending surplus cash to counterparties that meet the Council’s minimum credit ratings as outlined in below table1.
- 8 The minimum credit rating required for an institution to be included in the Council’s counterparty list is as follows:

Table 1

Agency	Long-Term	Short-Term
Fitch	A	F1
Moody’s	A2	P-1
Standard & Poor’s	A	A-2
Sovereign Rating	AAA	
Money Market Fund	AAA	

Specified Investments:

- 9 The current strategy is that all such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high credit’ quality criteria where applicable. The council will continue its policy of lending surplus cash to counterparties that have high credit ratings, defining ‘high credit rating’ as being F1+ Fitch short-term and AA- long-term credit rating.

Table 2

Institution	Minimum High Credit Criteria	Term Limit	Monetary Limit
Debt Management Office (DMO) Deposit Facility	Not applicable	N/A	No Limit
Local Authorities	Not applicable	1 year	£10m
Term deposits – banks and building societies	Short-term F1+, Long-term AA-	1 year	£30m
Term deposits – banks and building societies	Short-term F1, Long-term A+	1 year	£15m

Term deposits – banks and building societies	Short-term F1, Long-term A	6 months	£10m
UK Government Gilts and Treasury Bills	Long Term AAA	1 year	£50m
UK Government – Part Nationalised Banks	Per group	1 year	£70m or 30% of the portfolio
Certificates of Deposits issued by banks and building society	Short-term F1+, Long-term AA-	1 year	£30m
Non-UK Government Bonds	Sovereign rating Long Term AAA	1 year	£10m
Supranational Bonds	Sovereign rating Long Term AAA	1 year	£10m
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)			
Money Market Funds	AAA rated	Liquid	£15m

Definitions of credit ratings are attached at [Appendix 4](#).

Non-Specified Investments:

All investments that do not qualify as specified investments are termed non-specified investments. The credit criteria for non-specified investments are detailed in the table below.

Table 3

Institution	Minimum High Credit Criteria	Use	Limit
Term deposits – Banks and Building Societies	Sovereign rating AAA Short-term F1+, Long-term AA-	3 years	£25m or 10%of Investment Portfolio
Structured Deposits: Fixed term deposits with variable rate and variable maturities	Sovereign rating AAA Short-term rating F1+ Long-term rating AA-	3 years	£25m or 10%of Investment Portfolio
UK Government Gilts and treasury bills	Long Term AAA	5 years	£25m or 10%of Investment Portfolio
Certificates of Deposits issued by banks and building society	Sovereign rating AAA Short-term rating F1+ Long-term rating AA-	3 years	£25m or 10%of Investment Portfolio

Certificates of Deposits	A certificate of deposit (CD) is a time deposit, a financial product. CDs are similar to savings accounts in that they are insured and thus virtually risk free; they are "money in the bank." They are different from savings accounts in that the CD has a specific, fixed term (often monthly, three months, six months, or one to five years) and, usually, a fixed interest rate. It is intended that the CD be held until maturity, at which time the money may be withdrawn together with the accrued interest.
Commercial paper	Commercial paper is a money-market security issued (sold) by large corporations to obtain funds to meet short-term debt obligations (for example, payroll), and is backed only by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note. Since it is not backed by collateral, only firms with excellent credit ratings from a recognized credit rating agency will be able to sell their commercial paper at a reasonable price. Commercial paper is usually sold at a discount from face value, and carries higher interest repayment rates than bonds
Corporate bonds	A corporate bond is a bond issued by a corporation. It is a bond that a corporation issues to raise money effectively in order to expand its business.[1] The term is usually applied to longer-term debt instruments, generally with a maturity date falling at least a year after their issue date.
Gilt	Gilt-edged securities are bonds issued by certain national governments. The term is of British origin, and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge. Hence, they are known as gilt-edged securities, or gilts for short. Today the term is used in the United Kingdom as well as some Commonwealth nations, such as South Africa and India. However, when reference is made to "gilts", what is generally meant is "UK gilts," unless otherwise specified.
Supranational bonds	Supranational bonds are issued by institutions that represent a number of countries, not just one. Thus, organisations that issue such bonds tend to be the World Bank or the European Investment Bank. The issuance of these bonds are for the purpose of promoting economic development
Treasury bills (or T-bills)	Treasury bills (or T-bills) mature in one year or less. Like zero-coupon bonds, they do not pay interest prior to maturity; instead they are sold at a discount of the par value to create a positive yield to maturity. Many regard Treasury bills as the least risky investment available.

Appendix 4: Definition of Credit Ratings

Short-term Ratings

Rating	
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

Long-term Ratings

Rating	Current Definition
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that there is currently a low expectation of credit risk. The capacities for timely payment of financial commitments are considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category

Individual Ratings

Rating	
A	A very strong bank. Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environment or prospects.
B	A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.
C	An adequate bank, which, however, possesses one or more troublesome aspects. There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.
D	A bank, which has weaknesses of internal and/or external origin. There are concerns regarding its profitability, substance and resilience, balance sheet integrity, franchise, management, operating environment or prospects. Banks in emerging markets are necessarily faced with a greater number of potential deficiencies of external origin.
E	A bank with very serious problems, which either requires or is likely to require

	external support.
--	-------------------

Appendix 5 – Investment Portfolio as at 30th September 2014

Time to Maturity	Counterparty	From	Maturity	Amount £m	Rate
Overnight	IGNIS		MMF	15.00	0.48%
	Blackrock		MMF	15.00	0.46%
	BNP Paribas		MMF	9.60	0.40%
	SUB TOTAL			39.60	
< 1 Month	Lloyds Banking Group	07/10/2013	07/10/2014	5.00	0.98%
	Royal Bank of Scotland	09/10/2013	09/10/2014	10.00	0.59%
	Nationwide Building Society	11/04/2014	13/10/2014	5.00	0.56%
	Nationwide Building Society	16/04/2014	16/10/2014	5.00	0.56%
	Lloyds Banking Group	29/10/2013	29/10/2014	5.00	0.98%
	Deutsche Bank	29/04/2014	29/10/2014	5.00	0.60%
1 - 3 Months	Lloyds Banking Group	13/11/2013	13/11/2014	5.00	0.98%
	Skandinaviska Enskilda Banken	29/04/2014	14/11/2014	5.00	0.56%
	Canadian Imperial Bank of Commerce	18/08/2014	18/11/2014	15.00	0.42%
	Lloyds Banking Group	04/12/2013	04/12/2014	5.00	0.98%
	Royal Bank of Scotland	09/07/2013	09/01/2015	5.00	0.95%
	Santander		Call - 95N	10.00	0.45%
	Royal Bank of Scotland	27/01/2012	27/01/2015	5.00	3.35%
3 - 6 Months	Lloyds Banking Group	04/02/2014	04/02/2015	5.00	0.95%
	Lloyds Banking Group	13/02/2014	13/02/2015	5.00	0.95%
	Commonwealth Bank of Australia	15/08/2014	13/02/2015	5.00	0.48%
	DZ Bank	26/08/2014	26/02/2015	5.00	0.71%
	Skandinaviska Enskilda Banken	29/08/2014	27/02/2015	5.00	0.64%
	Lloyds Banking Group	04/09/2014	04/03/2015	5.00	0.70%
	Lloyds Banking Group	05/03/2014	05/03/2015	10.00	0.95%
	Barclays	05/09/2014	05/03/2015	10.00	0.61%
	Commonwealth Bank of Australia	15/09/2014	16/03/2015	5.00	0.53%
	National Australia Bank	18/03/2014	18/03/2015	10.00	0.57%
	National Australia Bank	03/04/2014	02/04/2015	10.00	0.60%
	Lloyds Banking Group	11/04/2014	10/04/2015	5.00	0.95%
	Lloyds Banking Group	11/07/2014	13/04/2015	10.00	0.80%
	Lloyds Banking Group	15/04/2014	15/04/2015	5.00	0.95%
	Royal Bank of Scotland	16/04/2013	16/04/2015	5.00	0.88%
	Royal Bank of Scotland	16/04/2014	16/04/2015	5.00	0.67%
	Lloyds Banking Group	17/07/2014	17/04/2015	5.00	0.80%
Skandinaviska Enskilda Banken	29/04/2014	29/04/2015	5.00	0.71%	
6 - 9 Months	National Australia Bank	14/05/2014	14/05/2015	10.00	0.63%
	DZ Bank	26/08/2014	26/05/2015	5.00	0.86%
	Royal Bank of Scotland	15/07/2014	15/07/2015	20.00	0.97%
	Commonwealth Bank of Australia	15/07/2014	15/07/2015	5.00	0.83%
	Commonwealth Bank of Australia	17/07/2014	17/07/2015	5.00	0.82%
9 - 12 Months	Commonwealth Bank of Australia	12/08/2014	12/08/2015	5.00	0.81%
	DZ Bank	26/08/2014	26/08/2015	5.00	0.98%
> 12 Months	Royal Bank of Scotland	27/02/2013	26/02/2016	10.00	1.15%
	Royal Bank of Scotland	20/03/2014	20/03/2016	5.00	1.25%
	Royal Bank of Scotland	10/01/2014	09/01/2017	5.00	1.74% *
	SUB TOTAL			275.00	

TOTAL

314.60

Appendix 6 – 2014-15 Prudential and Treasury Management Indicators

Prudential Indicators	2013/14	2014/15	2014/15	2015/16	2016/17
Extract from budget and rent setting reports	Actual	Original Budget	Revised Budget	Budget	Budget
	£m	£m	£m	£m	£m
Capital Expenditure					
Non – HRA	80.112	67.153	71.515	47.975	10.810
HRA	50.255	99.760	126.214	101.611	15.000
TOTAL	130.367	166.913	197.729	149.586	25.810
Ratio of Financing Costs To Net Revenue Stream					
Non – HRA	2.40%	2.89%	2.50%	3.05%	3.55%
HRA	3.67%	4.04%	4.00%	3.95%	3.95%
	£m	£m	£m	£m	£m
Gross Debt and Capital Financing Requirement					
Gross Debt	89.564	88.893	104.185	123.081	121.192
Capital Financing Requirement	220.720	245.513	235.975	255.975	255.975
Over/(Under) Borrowing	(145.950)	(130.848)	(131.156)	(183.131)	(131.790)
In Year Capital Financing Requirement					
Non – HRA	(5.396)	4.829	(4.977)	20.000	0.000
HRA	0.000	20.232	20.232	0.000	0.000
TOTAL	(5.396)	25.061	15.255	20.000	0.000
Capital Financing Requirement as at 31 March					
Non - HRA	151.045	155.606	146.068	166.068	166.068
HRA	69.675	89.907	89.907	89.907	89.907
	0.000	0.000	0.000	0.000	0.000
TOTAL	220.720	245.513	235.975	255.975	255.975
Incremental Impact of Financing Costs (£)					
Increase in Council Tax (band D) per annum	0.000	0.000	0.000	0.000	0.000
Increase in average housing rent per week	0.053	0.054	0.056	0.054	0.089

Treasury Management Indicators	2013/14	2014/15	2014/15	2015/16	2016/17
	Actual	Original Budget	Revised Budget	Budget	Budget
	£m	£m	£m	£m	£m
Authorised Limit For External Debt -					
Borrowing & Other long term liabilities	245.720	270.513	260.975	280.975	280.975
Headroom	20.000	20.000	20.000	20.000	20.000
TOTAL	265.720	290.513	280.975	300.975	300.975
Operational Boundary For External Debt -					
Borrowing	245.720	270.513	260.975	280.975	264.975
Other long term liabilities	0.000	0.000	0.000	0.000	16.000
TOTAL	245.720	270.513	260.975	280.975	280.975
Gross Borrowing	89.564	119.872	104.185	123.081	121.192
HRA Debt Limit*	184.381	184.381	184.381	184.381	184.381
Upper Limit For Fixed Interest Rate Exposure					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
Upper Limit For Variable Rate Exposure					
Net interest payable on variable rate borrowing / investments	20%	20%	20%	20%	20%
Upper limit for total principal sums invested for over 364 days					
(per maturity date)	£25m	£50m	£50m	£50m	£50m

Maturity structure of new fixed rate borrowing during 2014/15	Upper Limit	Lower Limit
under 12 months	10%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

This page is intentionally left blank

<p>Council 26 November 2014</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Chris Holme, Acting Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>LGPS - The structure and Governance Arrangements of the LBTH Pension Fund</p>	

Lead Member	Lead Member for Resources. Cllr Alibor Choudhury
Originating Officer(s)	Bola Tobun, Investment and Treasury Manager John Jones, Pensions Consultant
Wards affected	All
Community Plan Theme	One Tower Hamlets
Key Decision?	No

1. SUMMARY

This report outlines the proposed changes to the structure and governance arrangements of Local Government Pension Schemes (LGPS) brought about by the Public Service Pensions Act 2013 and associated Regulations. Members are provided with options from which to determine their preference for the future governance structure of the LBTH Pension Fund to comply with the new regulations.

The report also recommends that powers be delegated to the Pensions Committee to facilitate the new governance arrangements of the Fund.

2. RECOMMENDATIONS

Members of the Pensions Committee are asked to:

- To note the proposed changes in the Governance arrangements for LGPS Pension Funds with effect from 1 April 2015;
- To delegate to the Pensions Committee, the creation of Pensions Board for the Tower Hamlets Pension Fund as set out in this report;

3. REASON FOR DECISIONS

3.1 Following the Independent Public Service Pensions Committee report of 2011, the Public Service Pensions Act 2013 gave powers to the Secretary of State to introduce a number of far reaching changes to the administration of the LGPS.

3.2 A new local government pension scheme has been effective since 1 April 2014 and the LBTH Pension Fund has implemented the changes.

3.3 Aside from reform to the administration of the pension scheme, the 2013 Act also gives the Secretary of State power to implement

changes to the governance arrangements introducing additional requirements alongside increased flexibility to the structure of the decision making bodies.

4. BACKGROUND

- 4.1 Over the past few years there have been major changes proposed by Government to the way Local Authority Pensions Funds are to be managed and pensions delivered to beneficiaries. This has been set against the background of rising costs associated with increasing longevity and a concern about the balance of cost sharing between taxpayer and beneficiaries. Major reforms have already been implemented in the administration of pensions and the introduction of a career average earnings scheme, and proposals to improve investment performance are currently the subject of a separate consultation process. Further proposals to improve scheme governance have also been issued and are the subject of this report.
- 4.2 The genesis of these changes was the “Hutton Report”. Government commissioned Lord Hutton to chair the Independent Public Service Pensions Commission to review public service pensions and to make recommendations on how they can be made sustainable and affordable in the long term, and fair to both public sector workers and the taxpayer. The recommendations made by Lord Hutton were accepted by the Government and were carried forward into the Public Service Pensions Act 2013 (“the 2013 Act”).
- 4.3 A key aim of the reform process is to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process.
- 4.4 The Public Service Pensions Act 2013 included two main provisions to achieve this policy objective. Firstly, a requirement for responsible authorities such as DCLG to establish at national level a Scheme Advisory Board with responsibility to provide advice to the Department on the desirability of changes to the Scheme. And secondly, in cases where schemes like the Local Government Pension Scheme are subject to local administration, for scheme regulations to provide for the establishment of local pension boards to assist administering authorities with the effective and efficient management and administration of the scheme.
- 4.5 This report sets out how these changes will impact on the arrangements for managing the London Borough of Tower Hamlets Pension Fund.

5. CURRENT ARRANGEMENTS

- 5.1 The current arrangements for the management of the LBTH Fund have been in place for a considerable period of time and in line with the practice across most London Boroughs. LBTH is the administering authority for the Pension Fund, for the Council itself and a number of scheduled and admitted bodies. The Fund itself has now grown to c£1billion and is one of the largest in London with 18,667 members.

- 5.2 The Council has delegated the management of the Fund to the Pensions Committee comprising seven Councillors (representing the political balance of the authority) one admitted body and one trade union representatives. Pensions Committee members operate in a quasi-trustee capacity. In line with current best practice the Fund is advised by actuarial, investment consultant and independent adviser.
- 5.3 The Pensions Committee have in turn delegated responsibility as well as the implementation of its decision to the Acting Corporate Director of Resources and his officers who monitor activity, performance and oversee the administration and investment management duties of the Fund.

6. FUTURE PROPOSALS

- 6.1 The proposals issued by Central Government in the form of two sets of draft regulations significantly change this arrangement and introduce new duties and responsibilities on local authorities as well as new bodies at a national level. The proposals are designed to improve and strengthen fund governance and decision making and reflect the arrangements in place for large corporate schemes. Whilst concerns have been raised about some aspects of the new arrangements, the deadline for implementation of 1 April 2015 means that LBTH now needs to put in place new arrangements to meet the new requirements.
- 6.2 At national level a Scheme Advisory Board will be established to advise the Secretary of State on the desirability of making changes to the LGPS, and to administering authorities (i.e. such as LBTH) on the administration and management of the LGPS and funds locally. The Chair will be appointed by the Secretary of State and there will be further 2-12 members of this board.
- 6.3 At local level local pensions boards must be established to “assist” the local administering authority to secure compliance with LGPS regulations, and generally to ensure the efficient and effective governance of the LGPS.
- 6.4 The new arrangements also introduce a role for the Pensions Regulator for the explicit regulatory oversight of pension schemes whose role will be to issue Codes of Practice on the governance, standards of conduct and general practices expected of local government pension schemes. To date the Regulator has said that their role will be to educate and enable and will only enforce action in extreme cases when authorities may disregard statutory requirements. Nonetheless, this does introduce a fresh regulatory dimension for local authorities to take into account in future.
- 6.5 The new arrangements as they impact directly on LBTH are set out below.

7. THE SCHEME MANAGER

- 7.1 The 2013 Act requires local authority funds to have a scheme manager to be the administering authority for the Fund. This will be Tower Hamlets Council and continues with the current arrangement. The Council will still have overall responsibility for the management of the

Pension Fund and scheme, but this will in future be subject to a new Governance framework.

- 7.2 The scheme manager has ultimate responsibility for the administration and management of the scheme locally. The role of the scheme manager can be delegated by the Council to a Committee such as the Pensions Committee and it is recommended that this continues to be the case in future.

8. THE PENSIONS BOARD

- 8.1 The requirement to establish a local Pensions Board represents a major change to the governance arrangements locally for Pension Fund management and administration. Section 5 of the Act requires that each Scheme Manager is advised and assisted by a pension board whose role will be to help ensure compliance with the legislation in the governance and administration of the scheme, together with any role or function the fund chooses to grant to the board.
- 8.2 The Pension Board must consist of an equal number of employer and member representatives with the draft regulations requiring that there be a minimum number of four in total. The draft regulations also propose that in addition to any member and employer representatives, pension boards can also appoint “others” to sit provided the number of these “others” does not exceed the total number of employer and member representatives. The draft regulations have been amended in respect of elected members sitting on the pension’s board. The original proposal was that elected councillors could not sit as an employer or a member representative. However, the latest draft regulations permit elected members to sit on the Pensions Board providing they are not Members of the Pensions Committee itself. Elected councillors can also sit on the Board as “others” as part of the overall Board membership.
- 8.3 The Scheme Manager is responsible for ensuring that there is no conflict of interest arising from the appointment of Board members, and individual members have a duty to declare any interests to enable the Scheme Manager to identify such conflicts should they arise. At this stage further guidance is awaited on what this means in practice.
- 8.4 Board members must also meet the knowledge and understanding requirement through relevant training and education to be able to effectively discharge their duties, and the scheme manager will be responsible for ensuring this. This is a sensible and welcome requirement given the complexities in managing Pension Funds and will help strengthen scheme governance.
- 8.5 Officers have given consideration to how best to take forward these draft proposals given the short time available between now the effective implementation date of 1st April 2015. At the time of writing the final regulations and any accompanying guidance has not yet been issued, although it is expected that there will be no fundamental changes to the consultation documents.
- 8.6 It is suggested that at this stage the new Pensions Board is made up of 5 members to include 2 each of employer and employee representatives and an independent Chair. Such a group would meet

the regulatory requirements of a minimum of 4 and provide for the appointment of someone of experience with knowledge and expertise of the LGPS and investment issues. A smaller group will be easier to set up and be up and running in the short time available before the implementation date next April 2015.

- 8.7 Both the employer and member representatives must have relevant experience and the capacity to represent employers/members on the Pensions Board. This is important to ensure that members of the new Pensions Board have the background and capacity to undertake their new duties. The process to identify and recruit these representatives should commence soon in order to have the new Board in place by April 2015.

9. JOINT SCHEME MANAGER AND PENSIONS BOARD

- 9.1 The draft regulations do provide for the creation of a joint scheme manager and pensions board through one committee, which in practice could be the Pensions Committee. On the face of it this has some attractions not east building on the existing Committee. However, any such arrangement must be approved in writing by the Secretary of State and could be subject to conditions. The Secretary of State can withdraw approval if such conditions are not met or if in his opinion such an arrangement is no longer appropriate. In practice, a combined body would be subject to two separate legal codes under both the Local Government Act 1972 and associated legislation, and the Public Service Pensions Act 2013.
- 9.2 A combined body might also have difficulty in ensuring that all members had both knowledge and understanding that is currently expected of elected members and the experience and capacity required of local pension board members. There could also be difficult and different issues about conferring voting rights and compliance with local government law on the political composition of committees.
- 9.3 Moreover, to promote good governance, two bodies should be established as each has a separate and distinct role to discharge. There could be a particular difficulty with conflicts of interest arising from self –regulation i.e. a Committee cannot effectively scrutinise and review itself. For all these reasons it is recommended that a separate Pensions Board be established.

10. COSTS

- 10.1 The expenses associated with the setting up and running of the new Pensions Board and the contribution to the National Scheme Advisory Board will be met from the Pension Fund as part of the costs of administering the scheme. The Committee will need to consider whether members of the Board and the Board Chair will be remunerated and if so the basis of this. The Fund already employs an independent investment adviser and actuary and investment consultant and this may provide a reference point and context to consider this issue.

11. TERMS OF REFERENCE

- 11.1 On the basis that the Committee agrees to establish a separate Pensions Board as recommended in this report detailed terms of reference will need to be drafted and agreed. It is proposed that work now commence on this and be the subject of a report to the next Committee meeting.
- 11.2 For clarification, the implementation date of 1 April 2015 means the date by which the new Pensions Board must be formally established under the Council's constitution and not when it must first meet. The latest consultation document proposes that the local pension board's constitution (around voting rights, sub-committees, payment of expenses etc.) will be left to local discretion as opposed to having to comply with the 1972 Local Government Act.
- 11.3 The framework for the future governance of the Tower Hamlets Fund would therefore include the main Pensions Committee and the new Pensions Board. The report to the next meeting would consider in more detail the range and responsibilities of these two bodies together with the frequency of meetings and reporting arrangements.
- 11.4 Issues to be considered would include whether the Pensions Board should meet on the same day as the Pensions Committee; whether the Board Chair and Members attend the Pensions Committee; and how strengthening overall governance and the monitoring of pensions administration fits into this overall framework.
- 11.5 A key issue to be addressed will be the working relationship between the new Pensions Board and the existing Pensions Committee. There will need to be a shared understanding of respective roles and responsibilities and how the groups involved can best work constructively for the benefit of the Fund overall and minimising the potential for any conflict.

12. FINANCIAL IMPLICATIONS

- 12.1 The Fund will be required to facilitate the operation of the new board and this will require additional resources. The cost will be met from the Fund's own resources and it is not proposed at this time to increase the staffing of the Fund but for the work to be absorbed within available resources.

13. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 13.1. The comments of the Acting Corporate Director of Resources are incorporated in the report.

14. LEGAL COMMENTS

- 14.1 As stated in the body of the report, the government has introduced wide-ranging changes to the administration and governance of the Local Government Pension Scheme. The changes were introduced by the Public Service Pensions Act 2013. There are currently draft regulations out for consultation – The Local Government Pension Scheme (Amendment) (Governance) Regulations 2014. The intention of the draft regulations is to ensure that the Local Government Pension

Scheme is well managed at both national and local levels. The regulations also set out proposals for how the future costs of the scheme to employers and taxpayer will be controlled. The consultation period ends on the 21st November 2014.

- 14.2 Regulations 106 to 109 make provision for each administering authority to establish a local pension board to assist it to comply with its legal obligations relating to its pension scheme. A local authority that discharges its pension functions through a committee, can with the approval of the Secretary of State appoint the existing committee to be the local pension board. The regulations require the local pension board to be established by the 1st April 2015.
- 14.3 The effect of the proposed new regulations is set out within the body of the report. The substantive provisions for the purposes of making appointments to the local pension boards and the Scheme Advisory Board commence on the 1st January 2015, whilst all the provisions will come fully into force from the 1st April 2015. The proposed changes are brought about by legislative reform and so compliance with the new regulations is mandatory. Sanctions or other possible government intervention can be imposed on non-complying administrative authorities.
- 14.4 The Constitution does not provide the Pensions Committee with the power to create a Pensions Board. Full Council will need to make the decision on the recommendation of the Pensions Committee.
- 14.5 When deciding whether or not to proceed with the project, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector duty). Some form of equality analysis will be required which is proportionate to proposed projects and their potential impacts.

15. ONE TOWER HAMLETS CONSIDERATIONS

- 15.1 The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will reduce the contribution and increase the funds available for other corporate priorities.
- 15.2 A viable pension scheme also represents an asset for the recruitment and retention of staff to deliver services to the residents.

16. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 16.1 There is no Sustainable Action for A Greener Environment implication arising from this report.

17. RISK MANAGEMENT IMPLICATIONS

- 17.1 There are no major risks foreseen from the implementation of these regulations. The main challenges would be sourcing and training individuals to sit on the new Pension Board.

17.2 The rigorous robust management of LBTH Pension Fund results in better quicker and more effective decision making which can lead to better Fund performance and reduction in the contribution required from the Council towards the Fund.

18. CRIME AND DISORDER REDUCTION IMPLICATIONS

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

19. EFFICIENCY STATEMENT

19.1 The monitoring arrangement for the Pension Fund and the work of the Pension Fund Investment Panel should ensure that the Fund optimises the use of its resources in achieving the best returns for the Council and members of the Fund.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D

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

Brief description of "background papers"

Hymans Robertson's Briefing notes, Hymans Robertson's quarterly reports and WM Quarterly Performance Review

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

*Bola Tobun Investment&Treasury
Manager x4733*

LONDON BOROUGH OF TOWER HAMLETS

COUNCIL MEETING

WEDNESDAY 26TH NOVEMBER 2014

**MOTIONS SUBMITTED BY
MEMBERS OF THE COUNCIL**

**REPORT OF THE SERVICE HEAD,
DEMOCRATIC SERVICES**

SUMMARY

1. Eleven motions have been submitted by Members of the Council under Council Procedure Rule 13 for debate at the Council meeting on Wednesday 26th November 2014.
2. The motions submitted are listed overleaf. In accordance with the protocol agreed by the Council on 21st May 2008, the motions are listed by turns, one from each group, continuing in rotation until all motions submitted are included. The rotation starts with any group(s) whose motion(s) were not reached at the previous meeting.
3. Motions must be about matters for which the Council has a responsibility or which affect the Borough. A motion may not be moved which is substantially the same as a motion which has been put at a meeting of the Council in the previous six months; or which proposes that a decision of the Council taken in the previous six months be rescinded; unless notice of the motion is given signed by at least twenty Members.
4. There is no specific duration set for this agenda item and consideration of the attached motions may continue until the time limit for the meeting is reached. The guillotine procedure at Council Procedure Rule 9.2 does not apply to motions on notice and any of the attached motions which have not been put to the vote when the time limit for the meeting is reached will be deemed to have fallen. A motion which is not put to the vote at the current meeting may be resubmitted for the next meeting but is not automatically carried forward.

MOTIONS

Set out overleaf are the motions that have been submitted.

12.1 Motion Motion regarding Meals on Wheels

Proposer: Councillor Abjol Miah

Seconded: Councillor Gulam Kibriya

This Council notes

- That a third of UK local authorities have scrapped or reduced the provision of home-delivered meals to elderly and vulnerable people
- That the National Association of Care Catering claim the total number of meals delivered has fallen by over half in the past decade
- That Tower Hamlets Council delivers value for money hot, fresh meals to elderly and vulnerable people in the community
- That Tower Hamlets is also the only London borough to prepare fresh meals on wheels daily, and also prepares Hackney Council's meals on wheels

This Council believes

- That meals on wheels often help prevent social isolation and build community cohesion and solidarity
- That elderly and vulnerable people have a right to accessible and nutritious meals
- That reductions in community meals are likely to result in more hospital admissions, as meals on wheels visitors can often identify concerns that may go unreported until too late
- That this is one more regrettable example of the government's multi-billion pound cuts to local authorities harming those most in need (a view supported by the Local Government Association)

This Council resolves

- To condemn the decision by a third of local authorities to scrap or hollow out meals on wheels
- To reaffirm our commitment to protecting community food services
- To reaffirm our condemnation of a political system that would allow anyone to go hungry.

12.2 Motion regarding homelessness in Tower Hamlets

Proposer: Councillor Marc Francis

Seconder: Councillor Sirajul Islam

This Council notes:

1. Under Labour's Leadership after 1994, the London borough of Tower Hamlets had a strong track record of supporting homeless households, from bringing those placed outside the borough by the Lib Dem administration to back into Tower Hamlets to ending the long-term use of Bed and Breakfast accommodation for families with children ahead of schedule and halving the numbers in temporary accommodation by 2010;
2. From 2002 onwards, LBTH in common with many other London boroughs increasingly offered homeless households a move into a home in the private rented sector on a voluntary basis to prevent their homelessness;
3. Since 2010, the Coalition Government's reduction in the subsidy levels for temporary accommodation and caps on Local Housing Allowance have seriously affected LBTH's ability to source such accommodation from private landlords in Tower Hamlets;
4. As a consequence, dozens of homeless families have been forced to stay in B&B longer than the six week legal limit, which is totally unsuitable for children, and others are now being placed in B&B "annexes", which while legal, are almost as bad;
5. More recently, the Mayor has allowed council officers to discharge the authority's duty to homeless households through the offer of an Assured Shorthold Tenancy in the private rented sector, and that as of 30th June, this had happened to 50 households;
6. The Homelessness Statement 2013-17 agreed by the Mayor and Cabinet notes that the Government had changed the law to allow such a discharge of duty, but does not make clear either that this is a power, not a duty, or that LBTH would be adopting such a policy;
7. LBTH has published no criteria explaining the circumstances in which a homeless household will be made such an offer;
8. LBTH's bid for additional funding of £270,000 from the Government's "Gold Standard" initiative to tackle the growing use of B&Bs was rejected by ministers, while other Conservative-led authorities facing much less housing pressure were awarded funding.

This Council believes:

1. Homeless families are potentially vulnerable and should not be forced to accept the offer of a tenancy in the private rented sector, which lacks security of tenure and which is often at rent levels that can only be afforded with Housing Benefit, creating a "poverty trap";
2. This policy was introduced by the Conservative Secretary of State for Communities &

Local Government and Housing Minister in response to lobbying by Conservative-led Westminster City Council and other Tory boroughs, who have long argued against the legal safety net for homeless people;

3. Statutorily homeless families in Tower Hamlets should not have their rights eroded;
4. The Coalition Government's reasons for denying LBTH funding from the "Gold Standard" scheme to help reduce the use of B&B were spurious.

This Council resolves:

1. To call on the Mayor to revoke the authorisation for council officers to discharge this authority's duty to homeless households through the offer of a private sector tenancy;
2. To call on the Mayor and our local Members of Parliament to make representations to the Department for Communities & Local Government for an investigation into the process by which local authorities were awarded "Gold Standard" funding;
3. To call on the Mayor to participate actively in London Councils' efforts to persuade this and any future Government to restore full Housing Benefit subsidy for homeless households in temporary accommodation and to agree a protocol for co-operation rather than competition between authorities over the lease of such accommodation;
4. To call on the Mayor to take further steps to comply with the legal requirement that for homeless families are not forced to stay in B&Bs longer than six week and also reduced the use of B&B "annexes", and to report back to Full Council on progress by April 2015.

12.3 Motion regarding the Best Value Inspection undertaken by PwC

Proposer: Councillor Peter Golds
Seconder: Councillor Chris Chapman

This Council notes the delivery of the Best Value Inspection undertaken by PwC and presented to Parliament on November 4th.

The Council also notes that there were two major speeches from both the Government and Opposition front benches and nineteen contributions from backbenchers from all sides of the House. In all of these serious questions were raised as to the organisation and management of this Authority.

As a matter of fact and public interest the Council records the following from the report:

1.11. We note in addition that, as at the date of this report, there are a number of criminal investigations ongoing into allegations of fraud.

2.57. We note that evidence of possible fraudulent payments has been identified and reported by the Authority to the police in connection with nine third sector organisations (not included in our sample) that received monies under the YCS programme. By agreement with the police, we have not examined these matters in detail.

The Council expresses concern that the obvious fact that PwC did not examine matters that are currently being considered by the police is being intentionally misrepresented.

As a further matter of fact and public interest the Council also records the following from the report:

1.46. "Despite its public assertions of support for the Inspection, the Authority has at various stages raised a number of obstacles to our progress which have significantly delayed the provision of information or documentation and which in large part led to our request for an extension to the timetable for the inspection.

The Council notes the following quotations with regard to each area of Inspection.

With regard to grants the report states:

2.7. In relation to the matter of grant making we conclude that the authority is failing to comply with its best value duty.

2.7. A lack of transparency generally over the rationale for decisions as to grant awards. Where application processes exist, the evaluation of these applications has been to a significant extent overridden without any clear rationale.

2.7. Grants were awarded to organisations which were ruled ineligible or which did not meet the required evaluation score.

2.33. Applicants [who had not met the minimum criteria for an award after evaluation] were recommended to receive, in total, awards of £407,700.

2.36. In interview, the Mayor told us (PWC) that he had not been involved in the detail of awards, although he had kept abreast of things generally through occasional high level discussions with one Member in particular. This is somewhat at odds with an email dated 8 August 2012, shortly after the initial circulation of the original officer recommendations, which stated that *“the Mayor has requested a vastly expanded Appendix 1”*. We also note that a press statement dated 1 April 2014 put out by the Mayor’s office in response to the BBC Panorama programme included an assertion to the effect that the Mayor, acting within his powers, had intervened in 32 specific cases.

With regard to the transfer of property by the authority the report states:

2.8: In relation to three of the four property transactions we looked at in detail, namely Poplar Town Hall (“PTH”), Sutton Street Depot and Mellish Street, we conclude that in those instances, **the Authority failed to comply with its best value duty.**

Concerning the disposal of Poplar Town Hall, the report refers to the **six** reports submitted by Mazars to the council. It confirms, 2.9, that the authority accepted a late bid from the winning bidder after other bids had been opened, that the authority did not, in fact, select the highest bidder, and that the winning bidder also asked for and was granted changes to the contract which it had signed. Finally it notes “as a matter of fact”, the winning bidder is connected to a person with other business interests that had an association with the Mayor.

Noting the contract race, as outlined in 2.9., the report publishes, 5.71b, the email exchange with the following statement from a Council solicitor;

“However, (an officer) is only doing what he is told, this has come from the Mayor.”

Summing up, PWC expresses concern at the comments made in 5.104-5.109 that the instruction to Mazars was “a narrow interpretation of the Full Council’s resolution” and as a result, records, 5.105, “It does not appear that Mazars have conducted a further investigation of the potential conflicts of interest.

With regard to the disposal of 111-113 Mellish Street:

PWC identifies the involvement of the Mayor in the leasing of this site in 5.182, whereby the group who were to acquire the site confirm by email that “He (the Mayor) would instruct an officer to support Consortium Member 1 in locating premises for their purpose.”

5.185 discloses the involvement of the Mayor in the ongoing process.

There are further details as to the short period of marketing the site, the low valuation and controversies as to its use following acquisition by the successful consortium.

The disposal of Sutton Street depot indicates further concerns as to best value in its disposal and is covered in detail in sections 5.120-5.180.

The Council further notes that East End Life was excluded from the investigation but with regard to publicity:

2.13-2.14 PWC, in examining whether “media advisers to the Mayor were genuinely for the benefit of the authority or of a party political nature pertaining to the Mayor.”, conclude that “we found a lack of control around the monitoring of the demarcation of activities , based on a lack of documentation based on these activities.” Their final conclusion is a failure to comply with best value duty.

2.17 concerns the Ofcom findings as to political advertisements placed on TV channels and concludes, “This itself constitutes a failure to comply with best value duty.”

The report is critical with regard to contracting:

2.108: “Both we in our limited sampling and the Authority’s Internal Audit function in their work have found instances of procurement policies and procedures have not been adhered to. Examples include:

- a. An absence in a significant number of cases of signed contracts;
- b. A prevalent lack of audit trail in procurement documentation;
- c. Some instances during the early part of the Period where the correct number of quotations had not been received. On the evidence we have examined, we do not see this recurring to the same extent later in the Period;
- d. Lack of evidence of tollgate reviews in a significant minority of procurement files;
- e. Some examples of a failure to provide bidders as required with information concerning the criteria for evaluation of bids;
- f. Lack of maintenance of complete contracts registers by directorates; and
- g. Lack of monitoring by Central Procurement of the adherence of directorates to procurement procedures in their areas.”

2.109: In addition, there is some evidence – albeit disputed – of the involvement of the Mayor and/or other Cabinet Members in the selection of suppliers in one case at the PQQ stage.

The Council notes the following conclusions regarding the governance and overall management of the Council:

2.23: “in our view the current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty of the kind we have identified. This calls into question the adequacy of these governance arrangements”.

2.22: “Furthermore, in our view the Authority’s response to the identification of issues in the above areas [i.e. the areas considered in the report] suggests a tendency towards denial or obfuscation rather than an inclination to investigate concerns raised”.

2.22 (d): “in its communications with advisers and others in relation to the BBC Panorama programme, the Authority tended to pronounce allegations to be

baseless and/or politically motivated without having conducted what we would consider to be an adequate investigation into the issues raised”.

2.20: “At the core of the Authority’s system of governance are the statutory officers, specifically the Head of Paid Service, the section 151 Officer and the Monitoring Officer. All of these positions have been held by a variety of individuals through the course of the Period. Currently, all of these positions are held on an interim basis.”

2.113: “Since July 2012, the Authority has had no Chief Executive. One of the Authority’s Corporate Directors has since that time (with a short hiatus) fulfilled the role of Head of Paid Service, as required by statute, however the Head of Paid Service has not had the full powers of a Chief Executive delegated to him under clause 3.5.5 of the Authority’s constitution. These powers have remained with the Mayor. This means that, for most purposes, the Head of Paid Service, other statutory officers (being the Section 151 Officer and the Monitoring Officer), as well as other Corporate Directors are all directly accountable to the Mayor.”

This Council, noting this ongoing failure of governance and best value:

- Welcomes the appointment of Commissioners to oversee Best Value in the future and pledges to work with them to this end.
- Seeks to ensure the speedy appointments of; 1. A Chief Executive; 2. Monitoring Officer and 3. Section 151 Officer, to work with the Commissioners, Administration and Council.
- The Council refers the PWC Report to the overview and Scrutiny to consider comments relating to the disposal of Poplar Town Hall in their deliberations, drawing attention to the comments in 5.104-5.109 regarding the narrow interpretation of the original resolution of January 2014 and inviting Mazars, in view of this to further examine “conflicts of interest.”
- The Council with regard to the disposal of both 111-113 Mellish Street and the Sutton Street Depot resolves:
- To instruct the Head of Paid Service to call in the District Auditor to undertake an immediate investigation into the marketing and disposal of both sites.
- That this investigation should include details of all meetings held between officers of the council, bidders and those responsible for publicising the sale.
- That the investigator should identify and publish details of all meetings and correspondence between the Mayor, Cabinet and Mayor’s Office relating to the disposal of both sites.
- That there should be an independent property valuer to establish the estimated values of both sites at the time of disposal and that this should not be the consultants used in the marketing at the time.

- That, in view of the seriousness of this situation, produces a report to be considered by first the Overview and Scrutiny Committee and then reported to the full council.
- Furthermore, in view of the concerns raised by PWC as to the terms of reference given to Mazars with regard to Poplar Town Hall, the terms of reference should be agreed with the Proposer of this motion and the Chair of the Overview and Scrutiny Committee.

12.4 Motion regarding the NUT Manifesto for Education

Proposer: Councillor Mahbub Alam

Seconder: Councillor Mohammed Mufti Miah

The Council notes:

- The publication of the NUT Manifesto for Education, which is aimed at promoting a discussion about education in the period before the general election.
- The Manifesto covers a wide range of issues, which the NUT believes should be at the heart of a successful education system, and presents a set of positive recommendations, which the Union would like to see adopted by whichever government is elected in 2015.
- This Council congratulates the staff in our schools for their contribution to the success of education in Tower Hamlets and notes that in many respects this success is built on many of the principles contained in the NUT Manifesto.

This Council believes:

- That there is a pressing need to build trust in teachers and schools and to repair the relationship between the government and teachers, which has been so damaged in recent years. We believe that the recommendations in the Manifesto could help to do that.
- We believe that the recommendations in the Manifesto are based on research and evidence and draw on best practice from other countries.

The Council resolves:

- A new approach to school evaluation involving teachers, parents and local communities
- All students should benefit from a broad, balanced and enriching curriculum
- All those teaching should be qualified teacher or on a training route to qualification
- All teachers to receive regular training throughout their career with ring-fenced funding for this
- Local Authorities should be given back the power to plan and provide enough school places
- Restore the role of the Local Authority as the democratic local organisation responsible for education
- Each local council should have a Director for Education to ensure consistency and equality and a good local school for every child
- Restore financial support for post-16 students to stay in education

- Give a high priority to reducing youth unemployment
- Nurturing a climate of professional respect and responsibility as was the case with the London Challenge, which made London schools among the best in the world
- Reversing the downward spiral of education funding, restoring it to 2010 levels in real terms
- An end to the marketisation of education and policies that inhibit cooperation between schools

Since it was published the Manifesto has won widespread support from the world of education.

Professor Tim Brighouse, leader of the London Challenge, which is widely credited with transforming schools across London has commented, "At last a set of statements which if acted upon could transform our children's future. It will command the support of all engaged on a daily basis in education - parents, school staff students and governors. Their voices need to be heard by all those seeking our votes in 2015."

This Council resolves to do the following:

- i) Endorse the NUT Manifesto and issue a public statement to this effect;
- ii) Work with the NUT to promote the values contained in the Manifesto to parents in the borough;
- iii) Invite a speaker from the NUT to a future council meeting to talk about the Manifesto.

12.5 Motion regarding the Docklands Sailing Centre

Proposer: Councillor Dave Chesteron

Seconder: Councillor Andrew Wood

This Council notes:

1. The developers of the Westferry Printers site are currently going through pre-application public consultations.
2. The Sailing Centre is concerned about the potential effect development alongside the Millwall Dock may have on the wind and the detrimental impact this may have on sailing and other watersports.
3. The Sailing Centre has made a number of representations to the developers; so far the Sailing Centre's concerns have been largely ignored.
4. The Sailing Centre is the borough's premier watersports centre and among the largest public open space in Tower Hamlets. Pressures on public infrastructure as a result of population increases arising from new developments are well understood. The Council must protect its public open spaces for use by current and future generations.

This Council believes:

1. Pressures on public infrastructure as a result of population increases arising from new developments are well understood.
2. The Council must protect its public open spaces for use by current and future generations.
3. Council should continue to recognise the importance of the Docklands Sailing Centre in enabling use of one of the largest areas of open space in Tower Hamlets by the whole community for sport and recreation, with unique opportunities for education and employment.

This Council resolves:

1. To protect the Docklands Sailing Centre from the consequences of property development which may prevent the continued use of the Millwall Docks for those uses and the charitable purposes of the Docklands Sailing Centre Trust.
2. To exercise its powers as local planning authority, to ensure any development on the West Ferry Printers site does not cause any detriment to sailing and use of the Millwall Docks from Docklands Sailing Centre.

12.6 Motion regarding allocation of community grants

Proposer: Councillor Julia Dockerill

Seconder: Councillor Andrew Wood

This Council notes:

- That residents' confidence in the robustness of the processes and decision-making behind the allocation of community grants in our borough is at an all-time low after PwC concluded that taxpayers' money on occasions has been handed out with no apparent rationale, with over £400,000 of public money given to bodies which failed the minimum criteria.
- The Mayor's view that the PwC report identifies process and governance issues that need to be improved.
- That, regrettably, trust in the grants process has diminished to the extent that it has become a source of community division rather than a mechanism for building unity and cohesion between every resident in Tower Hamlets.
- That the neighbouring London Borough of Newham, an area of East London with similar challenges to our own, takes a very different approach to the allocation of grants with money awarded not to groups that emphasise their ethnic, religious or cultural difference but to those which offer services and support to the whole community.
- That Newham's approach not only promotes social harmony within their borough but fosters greater trust and confidence in the system, something that is desperately needed in Tower Hamlets at the present time.

This Council resolves:

- To advise and recommend to the commissioners when appointed, that the criteria by which grants are allocated place an explicit emphasis on unity and cohesion and are judged positively if they bring people together, negatively if they divide the community according to race, creed or ethnicity.
- The council implements a fully transparent and accountable new grants system that is open to all in order to rebuild trust among the entire community in Tower Hamlets.

12.7 Motion regarding Pay Day Loan Caps

Proposer: Councillor Alibor Choudhury

Seconder: Councillor Maium Miah

This Council Notes:

- The Tower Hamlets Fairness Commission, whose report “Time to Change” was published in September 2013, condemned the impact of pay day loan companies on vulnerable residents, and recommended:
 - That Government gives local authorities greater power to limit unhealthy businesses, including fast food, payday loan and gambling outlets, particularly in terms of the Use Classification Order system.
- That there is a local and national campaign to raise awareness of the impact of high cost credit, promoting alternatives.
- In November Cabinet the Fairness Commission presented a One Year On report which highlighted the positive impact of the “Time to Change Report”, including highlighting the possibility of an FCA imposed cap on Pay Day Lenders.
- On the 11th of November the Financial Conduct Authority announced a series of curbs on the charges Pay Day Loan companies can make, including:
 - An initial cap of 0.8% a day in interest charges.
 - A cap of £15 on the one-off default fee.
 - A total cost cap of 100%.

This Council Believes:

- That the cap should be welcomed, however campaigns should continue to reduce the level of the cap.
- There are still too many Pay Day lending companies on our streets and residents need to be made aware of the danger of Pay Day loan companies.
- Alternative providers of affordable credit should be supported, including the credit union.

This Council Resolves:

- To thank the Fairness Commissioners for their commitment and the impact they have made locally and towards national campaigns.
- To continue to campaign against Pay Day Loan Companies
- To use East End Life to provide residents with information about the dangers of Pay Day Loan Companies and provide information on alternatives, including the London Community Credit Union.

12.8 Motion regarding public access to information

Proposer: Councillor Joshua Peck

Seconder: Councillor Rachel Blake

This Council notes:

1. That unlike planning applications, licensing applications are not put on the council's website and that residents have to go into a council office to see applications
2. That even when councillors ask to see licensing applications it can be several days before they sent, reducing the time available for objections

This Council believes:

1. That all licensing applications should be fully available on the council website as soon as they are advertised

This Council further notes:

1. That when a resident reports a potential planning breach they will receive a letter confirming that a planning enforcement case has been opened but that they won't then receive any other communication from the Council until the case is closed, which may be many months later, leaving the resident with no information about the progress of their case until then.

This Council further believes:

1. That residents have a justifiable expectation of being kept better informed by the Council about planning enforcement cases they have raised.
2. That a letter at key points in the enforcement process (ie after the initial visit of planning officers, after the expiry of any date given to allow resolution of the breach, after any deadline for enforcement action etc) would enable residents to know what was happening.

This Council resolves:

1. To call on the Mayor to ensure that, within three months of this motion being passed, all licensing applications are published on the Council website at the same time they are put out to consultation
2. To call on the Mayor to ensure that, within three months of this motion being passed, planning enforcement start to update residents at key points in planning enforcement cases
3. That the relevant Corporate Directors bring reports on these issues to the next Council meeting.

12.9 Motion regarding the Transatlantic Trade and Investment Partnership (TTIP)

Proposer: Councillor Oliur Rahman

Seconder: Councillor Harun Miah

This Council notes:

- The Transatlantic Trade and Investment Partnership (TTIP) is a proposed free trade agreement between the United States and the European Union.
- That the TUC and Lancashire Council, have voiced concerns that the TTIP will increase corporate power and make it more difficult for governments to regulate markets in the public interest.

This Council believes:

- The TTIP, in its current form, gives unprecedented power and influence to transnational corporations.
- This will become the benchmark for all future trade agreements, currently being negotiated between the EU and the USA.
- The TTIP would allow companies to challenge decisions by national Governments, or local authorities, that they think may damage their business interests.
- Disputes would be heard in private by unelected experts, rather than
- Public courts, which would make it impossible to reverse decisions, such as the privatisation of the NHS, without being sued by foreign investors.
- The deal opens up access to government contracts to major US multinationals and would make it difficult for Tower Hamlets, or any other local authority, to ensure give local suppliers are supported.

This meeting agrees:

- To oppose TTIP in its current form
- To write to the Prime Minister calling for the exclusion of all public services, including education and health, public procurement, public utilities and public transport from the negotiations;
- To demand no levelling down in relation to consumer, worker or environmental protection;
- To insist on genuine consultation with civil society organisations, including trade unions;
- To work with like-minded organisations, both here and in Europe, in opposing all detrimental aspects of TTIP and in campaigning for alternative EU trade and investment policies.

12.10 Motion regarding new schools

Proposer: Councillor Danny Hassell

Seconder: Councillor Any Whitelock Gibbs

This Council notes:

1. The increasing number of school providers in the borough, with increasing number of free schools and academies.
2. A recent survey by London Councils which showed 68% of parents believe local authorities should have powers to intervene in Free Schools and that 81% support council influence over school places.
3. The urgent need for additional primary and secondary schools places within the borough, especially in the East of the borough.
4. A number of site allocations have been identified across the borough for additional primary and secondary school provision.

This Council believes:

1. The decision of the Conservative-led Government to restrict the opening of new community schools by local authorities is an example of wider attacks on the role of local councils, who are often best place to make decisions about services for their local communities.
2. That this policy has made it more difficult to address issues such as a shortage of school places both nationally and locally.
3. Academies and Free Schools often lack local accountability, particularly in comparison to community schools and that parents support a role for councils in relation to performance of Free Schools and Academies.
4. Schools should reflect the communities that they serve and that schools with diverse and representative student populations will offer greater opportunities for young people.
5. Collaboration rather than competition should be at the heart of a local education system. All new schools in the borough should be part of the wider family of schools, committed to improving education in the borough as well as the wider well being of the local community.
6. Any free schools must therefore demonstrate that they benefit all local children, regardless of income, background or ability, and have a positive impact on the wider local community.

This Council resolves:

1. To work with parents, teachers and other non-profit groups to ensure any Government approved free schools in Tower Hamlets are part of the family of schools, promote

inclusive, non selective, comprehensive and high quality education for all children, and abide by the local authority admissions code.

2. To call on officers to work with developers bringing forward schemes which include education floor space at an early stage to ensure that the provision is for a local authority school where possible (for example through the use of satellite schools where appropriate).
3. To request officers investigate the admissions policies and processes of all schools in the borough and report on the profiles of the student populations at different schools.
4. To establish a standing scrutiny committee for education and schools standards, similar to the health scrutiny panel.

12.11 Motion regarding tax dodging

Proposer: Councillor Clare Harrisson

Secunder: Councillor John Pierce

The Council notes:

1. It has been estimated that the UK Treasury loses as much as £12 billion to tax dodging by multinational companies every year. Developing countries lose three times more to tax dodging than they receive in aid each year – enough to give a basic education to the 57 million children currently missing out.
2. The UK has a particular responsibility to end tax dodging, as it is responsible for 1 in 5 of the world's tax havens in the British Overseas Territories and Crown Dependencies.
3. The use of tax havens by UK companies is rife, with 98 of the FTSE 100 companies routinely using tax havens.
4. Large multinational companies pay as little as 5% in corporate taxes globally while smaller businesses pay up to 30%.

This Council believes:

1. As a local authority we have a duty to provide the best possible public services
2. Our ability to provide quality local services would be significantly enhanced by the increased revenues from the government tackling tax dodging.
3. All who benefit from public spending should contribute their fair share.
4. The UK must take a lead role in creating a fairer tax system and combating tax dodging.

This Council resolves:

1. To support the campaign for tax justice alongside organisations like Action Aid
2. To ask our MPs, Jim Fitzpatrick and Rushanara Ali to put pressure on the national government and the treasury to take steps to end tax avoidance loopholes.

This page is intentionally left blank