

COMMISSIONERS' DECISION MAKING MEETING

Wednesday, 2 December 2015 at 6.30 p.m.
Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

The meeting is open to the public to attend.

Members:

Sir Ken Knight (Chair)	(Commissioner)
Chris Allison (Member)	(Commissioner)
Max Caller (Member)	(Commissioner)
Alan Wood (Member)	(Commissioner)

Public Information:

The public are welcome to attend these meetings.

Contact for further enquiries:

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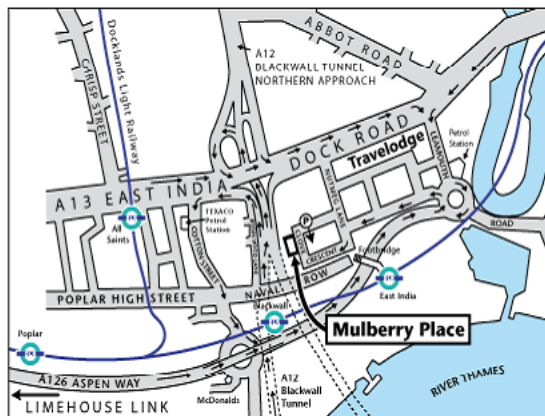
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A Guide to Commissioner Decision Making

Commissioner Decision Making at Tower Hamlets

As directed by the Secretary of State for Communities and Local Government, the above Commissioners have been directed to take decision making responsibility for specific areas of work. These include examples such as the disposal of properties, awarding of grants and certain officer employment functions. This decision making body has been set up to enable the Commissioners to take their decisions in public in a similar manner to existing processes.

Key Decisions

Executive decisions are all decisions that are not specifically reserved for other bodies (such as Development or Licensing Committees). Most, but not all, of the decisions to be taken by the Commissioners are Executive decisions. Certain important Executive decisions are classified as **Key Decisions**.

The constitution describes Key Decisions as an executive decision which is likely

- a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the borough.

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through www.towerhamlets.gov.uk/committee. The Commissioners have chosen to broadly follow the Council's definition in classifying their determinations.

Published Decisions

After the meeting, any decisions taken will be published on the Council's website.

- The decisions for this meeting will be published on: **Monday, 7 December 2015**

LONDON BOROUGH OF TOWER HAMLETS
COMMISSIONERS' DECISION MAKING MEETING

WEDNESDAY, 2 DECEMBER 2015

6.30 p.m.

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST (Pages 1 - 4)

3. DECISIONS OF THE PREVIOUS MEETING (Pages 5 - 12)

To note the decisions of the meeting held on 21 October 2015.

4. CONSIDERATION OF PUBLIC SUBMISSIONS

Consideration of any written comments received from members of the public in relation to any of the reports on the agenda.

[Any submissions should be sent to the clerk listed on the agenda front page by 5pm the day before the meeting]

5. EXERCISE OF COMMISSIONERS' DISCRETIONS (Pages 13 - 14)

To note decisions taken under Commissioners' discretion.

6. REPORTS FOR CONSIDERATION

6 .1	Provision of a Home Repairs Grant to Client A E14, under the Tower Hamlets Private Sector Housing Renewal Policy 2013-15	15 - 24	Blackwall & Cubitt Town; Shadwell; St Dunstan's
6 .2	A Grant Scheme for Affordable Rented Housing in LBTH	25 - 50	All Wards
6 .3	Incentives to Tackling Overcrowding	51 - 58	All Wards
6 .4	Grant Payment - Ocean Regeneration Trust	59 - 84	St Dunstan's

7. ANY OTHER BUSINESS THE CHAIR CONSIDERS TO BE URGENT

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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:-

- Melanie Clay, Director of Law Probity and Governance 2017 364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

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

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

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LONDON BOROUGH OF TOWER HAMLETS

**RECORD OF THE DECISIONS OF THE COMMISSIONERS' DECISION MAKING
MEETING**

HELD AT 6.31 P.M. ON WEDNESDAY, 21 OCTOBER 2015

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

Members Present:

Sir Ken Knight	(Commissioner)
Chris Allison	(Commissioner)
Max Caller	(Commissioner)
Alan Wood	(Commissioner)

Councillors Present:

Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Mayor John Biggs	
Councillor Clare Harrisson	
Councillor John Pierce	

Officers Present:

Zena Cooke	(Corporate Director, Resources)
Aman Dalvi	(Corporate Director, Development & Renewal)
Barbara Disney	(Service Manager, Strategic Commissioning, Adults Health & Wellbeing)
Hasan Faruq	(Interim Service Development Manager CSF)
Karen Sugars	(Interim Service Head, Commissioning and Health)
Owen Whalley	(Service Head Planning and Building Control, Development & Renewal)
Will Tuckley	(Chief Executive)
David Williams	(Deputy Service Head, Planning and Building Control, Development & Renewal)
Antonella Burgio	(Democratic Services)

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

3. DECISIONS OF THE PREVIOUS MEETING

The published decisions of the meeting held on 30 September 2015 were noted and signed as a corrected record of proceedings.

4. CONSIDERATION OF PUBLIC SUBMISSIONS

The Chair advised that a public submission had been received from Tower Hamlets CVS (THCVS) expressing concern that:

- decisions on emergency fund applications had been made outside of the Commissioners' public decision making meeting.
- in doing so applicants were denied a full understanding of the rationale for awarding emergency funds.

He informed Members, officers and public present that Commissioners had considered the submission and their response would be incorporated into the consideration of Item 5.

5. EXERCISE OF COMMISSIONERS' DISCRETIONS

Commissioner Caller introduced the report, circulated in the supplementary agenda, which listed urgent expedited decisions that had been taken by Commissioners since the previous Commissioners' Decision Making meeting.

In responding to the concerns raised by THCVS, he advised that:

- Commissioners, in principle, were disposed to make all decisions in public. The discretion to determine an application outside of a public meeting would only be exercised where a request related to an urgent matter which could not be accommodated within the six-weekly cycle of Commissioners' Decision Making meetings and, where to delay the determination of the matter, would cause detriment to the voluntary/community organisation concerned.
- clear criteria for organisations wishing to apply for emergency funding and officer assessments of applications were available via the Council's website. All may access this information to be apprised of the rationale for all funding awards.

It was also noted that:

- a number of organisations refused emergency funding had yet to receive a notification letter. Officers had advised Commissioners that these had only been dispatched that day. The Chair instructed that this should be addressed and officers ensure that notification letters were received by 22 October 2015.
- a number of applications had been unsuccessful as they did not comply with emergency funding criteria but complied more closely with a request for transitional funding. No scheme currently was approved for such requests and as a consequence they were refused Emergency Funding. He advised that Commissioners wished to review a range of issues which might assist in this matter and Commissioners would

invite Deputy Mayor Councillor Saunders and representatives of THCVS to meet with them to discuss these matters..

RESOLVED

1. That the decisions taken under urgency listed in the report be noted.
2. That the actions above arising from the discussion be addressed.

6. REPORTS FOR CONSIDERATION

6.1 Water Based Sports - Shadwell Basin Outdoor Activity Centre

Hasan Faruq, Interim Service Development Manager, introduced the report which concerned a service level agreement for Shadwell Basin Outdoor Activity Centre to provide skills and activities to facilitate young people to become more competitive and aim for higher goals.

The Chair invited Councillor Saunders and Councillor Golds to comment on the proposals and they indicated that they supported the application.

Commissioners did not wish to make any observations and agreed the recommendations as set out in the report.

RESOLVED

1. That a 12 month Service Level Agreement (SLA) with Shadwell Basin Outdoor Activity Centre for one whole year starting from 1st April 2015 to 31st March 2016 be authorised, to deliver the activities outlined in the SLA in Appendix 1 to the report and
2. That the sum of £25,000 to be paid from the Youth Service Core budget for the provision of those activities.

6.2 Positive Activities for Young People (PAYP) - October/Dec & Feb half-term

Hasan Faruq, Interim Service Development Manager, introduced the report which concerned recommendations from the PAYP Grant Board to approve awards for 17 organisations to provide holiday activities for families with limited resources during the holiday periods (October and December 2015 and February 2016). He noted that application concerned the north east of the borough where provision was under represented.

The Chair invited Members to comment on the proposal. Councillor Golds indicated that he had no comments that he wished to make.

Councillor Saunders advised that she supported the application but was concerned that the report had not been shared with, her prior to the meeting, in her capacity as Cabinet Member for Education and Children's Services. The Matter was discussed. Commissioner Max Caller advised that

Commissioners supported the principles that Lead Members should be able to view reports relating to their portfolios and that Commissioners should receive Member feedback on the merits of applications. Responding to the Mayor, the Chair clarified that Commissioners' role was to determine grants in accordance with the directions of the Secretary of State. In doing this, Commissioners have taken steps to involve elected Members through the Cross-party Forum and through informal meetings with the Lead Member for Third Sector grants and all other Members.

RESOLVED

1. That the recommendations of the PAYP Commissioning Board be approved, to allocate grants up to a maximum £2,000 for 15 organisations and up to £3,500 for 2 SEND projects (a total 17 organisations) as highlighted green in Appendix 1 to the report.
2. That new advertisements be placed in East End Life for the holiday periods December 2015 and February 2016 to seek organisations to provide activities in the North East of the borough.

6.3 Youth Volunteering - Volunteer Centre Tower Hamlets (VCTH)

Hasan Faruq, Interim Service Development Manager, introduced the report which requested an extension of an SLA for Volunteer Centre Tower Hamlets until 31 March 2016.

The Chair invited Councillor Saunders and Councillor Golds to comment on the proposals and they indicated that they supported the application.

Mayor, John Biggs requested that the criteria and difference between an SLA and a procurement process be clarified and the Chair agreed that an explanation be made available for clarity.

The Chair and Commissioner Max Caller were concerned that the application was retrospective and did not support this approach. Zena Cooke, Corporate Director for Resources advised that there was dialogue with report authors to ensure that future reports would be timetabled and presented in a timely manner.

RESOLVED

1. That a further 7 month extension be authorised, from 1st September 2015 to 31st March 2016, to the existing Service Level Agreement which was approved in April 2015 for a sum of £16,667 for the period from 1st April 2015 to 31st August 2015 and
2. That the sum of £23,333 to be paid for the provision of the services in the VCTH outline programme plan as set out at Appendix 4 of the report.
3. That the criteria and difference between an SLA and a procurement process be clarified and be made available for Members.

6.4 Adult Services Small Grants for Pensioners' Groups 2015/16

Barbara Disney, Service Manager, Strategic Commissioning introduced the report which concerned low value one-off annual grants for the elderly to prevent social isolation.

The Chair invited Councillor Saunders and Councillor Golds to comment on the proposals and they indicated that they supported the application. Councillor Golds also expressed concern regarding under-representation in the south east of the borough. Commissioners considered Members' feedback and asked officers to ensure that the grant density mirrors the density of the older population in the Wards of the borough.

RESOLVED

1. That the process for inviting applications for Adult Services Small Grants for Pensioners' Groups 2015/16 be approved.
2. That the availability of funding for the proposal be noted.
3. That the process for awarding the grant funding be approved.
4. That it be agreed that, for 2016-17 the Small Grants for pensioner groups will be incorporated into a broadened Small Grants process across the council.
5. That the density of grants awarded in each Ward better reflect the density of the older population of the Borough than previously.

6.5 Release of funding to East End Community Foundation (formerly Isle of Dogs Community Foundation)

Commissioners noted the reasons for urgency offered regarding the late publication of the report, in that there had been a delay in completing due diligence. Councillor Pierce expressed concern about requests to waiver the 28 day notification on grounds of transparency. In his view; there were no clear grounds relating to this item. Commissioners deliberated, and then agreed to consider the report as an urgent item.

Owen Whalley, Service Head Planning and Building Control, introduced the report which concerned the release of held S106 to East End Community Foundation.

The Chair invited Members to comment on the proposal. Councillor Saunders indicated that she had no comments that she wished to make. Councillor Golds supported the proposal and thanked the Mayor for his work on this matter. He raised a concern that the unreleased/held S106 monies had not accrued interest and was informed that the S106 was a fixed sum award, therefore no interest would be payable.

Commissioners discussed the financial vehicle through which the monies had been held on deposit with the Mayor and Director of Resources and concluded an element of interest had accrued. Commissioners considered that, since the organisation had had not caused the grant to be withheld, an

exceptional arrangement to make a payment of interest should be considered. The Corporate Director for Resources advised that this would be investigated and a report made.

RESOLVED

1. That it be noted the money held specifically for the IDCF (now the EECF) is £991,798;
2. That it be agreed that the Council enters into an Expendable Endowment Agreement with East End Community Foundation whereby the Expandable Endowment Sum of £991,798 is transferred to EECF.
3. That it be agreed that delivery of Social and Community projects be restricted to the wards of Limehouse, Poplar, Lansbury, Blackwall and Cubitt Town and Canary Wharf and Island Gardens
4. That it be agreed that any future monies paid, in relation to un-triggered payments secured in supplemental Riverside South s106 agreements or any further legacy MQ MQ agreements, should be provided to the EECF under the same terms.
5. That an exceptional payment of interest accrued from the held S106 be investigated and reported as appropriate.

7. ANY OTHER BUSINESS THE CHAIR CONSIDERS TO BE URGENT

7.1 Youth Provision - East London Tabernacle (ELT)

Commissioners noted the reasons for urgency regarding the late submission of the report offered by officers in that, because of a review of the allocation of grants, it had not been possible to assess the exact effects of the termination of grants in areas of the borough before the termination notices had been issued. Councillor Pierce expressed concerned regarding the lateness of the report on grounds of transparency. Commissioners noted Members view and deliberated. They then agreed to consider the report as an urgent item.

Hasan Faruq, Interim Service Development Manager, introduced the report which concerned the extension of an SLA for East London Tabernacle.

The Chair invited Councillor Saunders and Councillor Golds to comment on the proposals and they indicated that they broadly supported the application although they had some concerns.

In considering the matter, Commissioners were dissatisfied with reasons offered for the retrospective application and that the potential impacts of terminating grants had not been properly assessed. They were also dissatisfied with a report that, an officer without delegated authority, had indicated to this organisation that an extension could be sought. While Commissioners did not oppose the application, they considered the processes followed to administer this matter unsatisfactory, hence they would support a

grant of emergency funding on this occasion only. The Corporate Director for Resources acknowledged that improvement was needed and to this end, Youth Services was undertaking work with the Procurement Team.

RESOLVED

1. That a further 6 month extension from 1st October 2015 to 31st March 2016 be authorised to the existing Service Level Agreement with East London Tabernacle and
2. That the sum of £8,832 to be paid from the Youth Service Core Budget to enable the ELT to deliver 3 sessions per week and work with all young residents with a focus on Somali youth participation.
3. That no further extensions be approved within this agreement.

The meeting ended at 7.20 p.m.

Chair: Sir Ken Knight
COMMISSIONER


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EXERCISE OF COMMISSIONERS DISCRETION

(November 2015)

Date Considered	Name of Grant & Description	Organisation/ Recipient	Decision	Amount Awarded	Directorate	Contact
18 th November 2015	Provision of a Home Repairs Grant under the Tower Hamlets Private Sector Housing Renewal Policy 2013-15	Individual	Agreed	£897.23	Development & Renewal	Jackie Odunoye

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<p>Commissioner Decision Report 2nd December 2015</p>	
<p>Report of: Aman Dalvi Corporate Director, Development and Renewal</p>	<p>Classification: Unrestricted</p>
<p>Provision of a Home Repairs Grant in the sum of £5,049.33 to Client A E14, under the Tower Hamlets Private Sector Housing Renewal Policy 2013-15</p>	

Originating Officer(s)	Martin Ling
Wards affected	Blackwall and Cubitt Town
Key Decision?	No
Community Plan Theme	A Healthy and Supportive Community: Reducing health inequalities and enabling people to live independently
Reasons for Urgency	Potential adverse impact on individual resident

Executive Summary

This report relates to the provision of Home Repairs Grants under Part 4.2 of the Tower Hamlets Private Sector Housing Renewal Policy 2013-15.

Under the terms of this policy, these small grants of up to a maximum of £6,000 may be made available to eligible owner-occupiers to enable them to remain in their own homes safely and avoid minor accidents.

Eligible home owners are those who are:

- over 60 years of age, or
- disabled or infirm, or the parent or carer of a disabled child and
- in receipt of an income related benefit or eligible tax credits

Recommendations:

The Commissioners are recommended to:

1. Agree Home Repairs Grants to Client A E14, in the sum of £5,049.33 to fund urgent repairs to her kitchen and replacement of the central heating combination boiler.

2. ALTERNATIVE OPTIONS

- 2.1 Not to award the grant.

3. DETAILS OF REPORT

- 3.1 Under Part 4.2 of the Tower Hamlets Private Sector Housing Renewal Policy 2013-15, Home Repairs Grants up to a maximum value of £6,000 may be available to qualifying owner-occupiers to enable them to remain living in their own homes safely and avoid minor accidents.
- 3.2 To be eligible for assistance the applicant must be either over the age of 60, or disabled, or the parent of a disabled child and in all cases, be in receipt of qualifying means tested benefit. In addition the applicant must:-
- be an owner-occupier who lives in the dwelling as their only or main residence
 - be aged 18 or over on the date of the application (applications for minor adaptations for works to enable a disabled child to be cared for in their own home will be accepted from the parents or carer of that disabled child)
 - have the power or duty to carry out the works (with the appropriate consents where the property is leasehold)
- 3.3 Client A is the leasehold owner of a third floor maisonette in E14. A previous report was submitted to Commissioner's Decision making meeting on 30th September 2015 for the same client and the Commissioners approved a grant of £4,152.10 for urgent repairs to Client A's kitchen and central heating boiler replacement. As set out below, a subsequent visit by the Private Sector Housing Surveyor on the 22nd October 2015 revealed that further works were required. If approved this grant will supersede the award agreed on the 30th September 2015.
- 3.4 Client A suffers from arthritis of the pelvis, is a wheelchair user and lives alone.
- 3.5 As client A's condition has deteriorated a number of adaptation works have been carried out to her home to allow her to live as safely and independently as possible. These adaptations include a stair-lift and a wet floor shower room. The Council are also currently considering an application for a further Disabled Facilities Grant (DFG) for a door intercom and automatic opening system.
- 3.6 During the course of the original inspection for DFG, officers noted that there were a number of small repairs required to client A's kitchen and that her central heating boiler had failed and that she was without hot water.
- 3.7 During a subsequent inspection of the property to plan the originally funded Home Repairs Grant works, officers noticed that there were additional items that could be funded, namely the replacement of a non-functioning bath and wash hand basin taps, together with some draught proofing measures.
- 3.8 Further estimates were obtained in the sum of £4,330.05 to replace the central heating boiler, the kitchen sink unit and sink mixer taps and the

additional taps and draught proofing , which together with the Home Improvement Agency fees of £719.28, gives a total grant figure of £5,049.33.

- 3.9 Client A meets the eligibility criteria in that she is the leasehold owner of the property, has lived in the dwelling for over fourteen years, is disabled and is in receipt of a means tested benefit.
- 3.10 The application has been considered by the Private Housing Grants Panel and who have made a recommendation that the grant be approved.
- 3.11 This grant is not repayable.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 A capital estimate of £550,000 was approved as part of the 2015-16 budget process to fund a Private Sector Renewal Grant programme. The scheme is financed from residual ring-fenced resources received from the East London Renewal Partnership. The programme supports the aims and objectives of the Council's Private Sector Housing and Empty Properties Framework, and includes Home Repairs Grants for minor aids and adaptations, energy efficiency, minor repairs, home security, hazard removal and relocation assistance; Empty Property Grants and Discretionary Disabled Facilities Grants.
- 4.2 The specific grant considered in this report forms an element of the programme and can be met from within uncommitted resources. The applicant meets the conditions that the Council applies to these grants.
- 4.3 The applicant has previously received funding under the Council's mandatory Disabled Facilities Grants programme and on 30 September 2015, a further grant of £4,152.10 was approved by the Commissioners to fund urgent repairs to the kitchen, and to replace the central heating combination boiler and other essential repairs at client A's flat. Further necessary works have subsequently been identified and this report seeks approval to increase the grant by £897.23 to a total of £5,049.33. The application has been considered by the Officer Private Housing Grants Panel and is recommended to the Commissioners for approval.

5. LEGAL COMMENTS

- 5.1. The power of the Commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).

- 5.2. To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure that the Council has the power to make the grant in question.
- 5.3. The Council has a duty under Part 1, Chapter 1, Section 3 of the Housing Act 2004, to review the housing conditions in its district and where conditions are found to require adaptation, repair or improvement, assistance may be provided by the Council under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002 ('2002 Order').
- 5.4. The Council may not exercise the powers available under the 2002 Order unless it has adopted a policy for the provision of assistance, given notice of the policy and made it available to the public. The power to provide assistance must be exercised in accordance with the policy. The Council adopted the Tower Hamlets Private Sector Housing Renewal Policy 2013-15 at the Cabinet of 31st July 2013. Paragraph 4.2 of the policy provides for Home Repair Grants the detail of which is set out in this report.
- 5.5. The Council has a duty under Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness (the best value duty). Awards of these grants are subject to eligibility criteria which seek to assist vulnerable persons in housing in disrepair. By doing so the need for other council services or support is likely to be reduced.
- 5.6. When exercising its functions under this legislation by making decisions about grants the Council must comply with section 149 of the Equality Act 2010 in that it must have due regard to the need to eliminate unlawful conduct under the Act, advance equality of opportunity and foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). The Home Repair Grants policy is designed to provide for those who are elderly or who have disabilities and in doing so it seeks to advance equality of opportunity for persons with those protected characteristics.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 By targeting the very limited financial assistance which is still available to the most vulnerable owner occupiers, the Private Sector Housing Renewal Policy 2013-15, seeks to mitigate the problems of poor housing conditions and reduce the pressure on social and health care services and at the same time have a positive impact on the lives of these residents by reducing health and housing inequalities and ensuring their independence and inclusion.
- 6.2 A full Equalities Assessment on the Private Sector Housing Renewal Policy has been carried out and which found there to be no evidence to suggest any adverse or negative impact.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Individual grant costs are scrutinised and challenged at a number of stages of the grant process, from initial receipt by the grant officer through to final consideration by the Housing Grant Panel.
- 7.2 The use of small cost housing grants to carry out urgent but minor repair works for elderly and vulnerable home owners and those with disabilities, can ensure that resident is able to live healthily and safely in their own home and can reduce longer term repair costs if nothing is done about the problem. It also reduces the risk of reliance on other council services which may be more costly.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1. There are no sustainability implications.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There is a risk that if this small grant is not approved the health and wellbeing of this disabled home owner would deteriorate as the winter months approached and she was still without heating.
- 9.2 There is also a risk that if the repair works are not be carried out the property will deteriorate and also possibly affected the maisonette below, leading to much great future costs.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no crime and disorder implications.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no safeguarding implications.
-

Linked Reports, Appendices and Background Documents

Linked Report

Private Sector Housing Strategy 2013-15, Cabinet decision of 31 July 2013.
<http://moderngov.towerhamlets.gov.uk/documents/g4188/Decisions%2031st-Jul-2013%2017.30%20Cabinet.pdf?T=2>
Private Sector Housing Strategy 2013-15.
http://www.towerhamlets.gov.uk/lgsi/851-900/868_housing_statements/private_sector_housing_renewal.aspx

Appendices

Grant break-down sheet.
Grant Panel check sheet.
Chair of Private Housing Grant Panel's recommendation sheet

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

None

Officer contact details for documents:

Martin Ling

Housing Strategy Manager
martin.ling@towerhamlets.gov.uk

02073640469

Memo

Private Housing Improvement Team
2nd Floor
Mulberry Place
5 Clove Crescent
London
E14 2BG

To: Head of Strategy, Regeneration and Sustainability

From: The Chair of the Private Housing Grants Panel

Date: 03-November-2015

Ref: 12892

Tel No: 020 7364 0824

Re: Home Repairs Grant Minor Hazards - Owner Occupier Lhold RTB

[REDACTED]

[REDACTED]

London

E14 [REDACTED]

The above grant has been considered by the Private Housing Grants Panel.
A summary sheet is attached for your consideration.

The Private Housing Grants Panel recommends the approval of:

£5,049.33 Grant

£6,059.20 Capital Estimate from the unallocated Housing Renovation Grant Resources

The works include:

renewal of mixer taps, sink base unit, combi boiler

Chair of Panel



.....Renee Buffery

I approve the above action:

Head of Strategy, Regeneration and Sustainability

Dated

**LONDON BOROUGH OF TOWER HAMLETS
PRIVATE HOUSING IMPROVEMENT TEAM**

Grant Approval Check Sheet 2

Grant Reference Number: 12892

Address of Property: [REDACTED]
[REDACTED]
London
E14 [REDACTED]

Grant Type: Home Repairs Grant Minor Hazards - Owner
Occupier Lhold RTB

Total Cost of Works: £4,330.05 [REDACTED]

Eligible Works (Ex VAT): £4,330.05 [REDACTED]

Eligible Works (VAT): [REDACTED]

Eligible Works (TOTAL): £4,330.05

Fees: Home Improvement Agency

Combined Fees: £719.28

Total Eligible Expense: £5,049.33

Applicants Contributions:

Excess:

Grant Figure: £5,049.33

**LONDON BOROUGH OF TOWER HAMLETS
PRIVATE HOUSING IMPROVEMENT TEAM**

Grant Panel Check Sheet


Grant Reference Number: 12892


Address of Property: ~~REDACTED~~
~~REDACTED~~
London E14 ~~REDACTED~~

Grant Type: Home Repairs Grant Minor Hazards - Owner Occup


Application form:

Date stamped	<input checked="" type="radio"/> Yes / No
Declaration signed	<input checked="" type="radio"/> Yes / No
Owners Certificate signed	<input checked="" type="radio"/> Yes / No
Diversity questions completed	<input checked="" type="radio"/> Yes / No
Agency Commission form completed if applicable	<input checked="" type="radio"/> Yes / No
Occupational Therapy referral provided if applicable	<input checked="" type="radio"/> Yes / No
Means Test print-out on file if applicabl	<input checked="" type="radio"/> Yes / No
Proof of ownership on file	<input checked="" type="radio"/> Yes / No
Have there been any previous grants	<input checked="" type="radio"/> Yes / No
Estimates for the works:	
Tendered specification	<input checked="" type="radio"/> Yes / No
Two estimates form separate builders	<input checked="" type="radio"/> Yes / No
Price from MTC	<input checked="" type="radio"/> Yes / No
Fees	<input checked="" type="radio"/> Yes / No
Does the property meet the Decent Homes Standard	<input checked="" type="radio"/> Yes / No
"Hazards" under the HHSRS that need addressing	<input checked="" type="radio"/> Yes / No

Signed  Case Officer
Dated 21/5/13

Signed  Checking Officer
Dated 21/5/13

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<p>Commissioner Decision Report 2nd December 2015</p>	
<p>Report of: Aman Dalvi, Corporate Director Development & Renewal</p>	<p>Classification: Unrestricted</p>
<p>A Local Affordable Housing Grant</p>	

Originating Officer(s)	Jackie Odunoye
Wards affected	All wards
Key Decision?	YES
Community Plan Theme	A Great Place To Live

Executive Summary

- 1.1. The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy (RTB) legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the Communities and Local Government (CLG) Department.

- 1.2. It is proposed that the Council set up a Local Affordable Housing Programme funded by retained RTB Receipts under which Registered Providers will be able to apply for grant funding to assist with their affordable housing programmes. This will contribute significantly to the Council's programme delivery in a timely manner. The Council would not be procuring the works, nor the services and would not be owning or purchasing the units, and the funding will be spent with the RPs on an as costed basis so the funding of affordable housing in the RP sector in this manner would constitute a grant to the Registered Providers.

- 1.3. The grant will be a maximum of 30% of total scheme costs for affordable rent new build or leasehold buy-backs. This is to reflect the Treasury requirement that a maximum of 30% of RTB receipts can be applied to the financing of schemes. The RPs will be required to raise the remainder of the funding.

Recommendations:

The Commissioners are asked to agree the following recommendations:

1. that **£7.06m** of retained RTB receipts be used for a Local Housing

Affordable Grant Programme for Housing Resources and Capital Delivery for the years 2016-20 as per the budget allocation decision of Cabinet dated 12th October 2015

2. that the criteria for the grant will be as set out in paragraph 3.9. of this report and Schedules One and Two of the Appendices.
3. that an Affordable Housing Grant Panel be set up under the Corporate Director, Development & Renewal for the purpose of assessing development proposals, reviewing bids for grant funding and making recommendations for the award of grant
4. that the decision to award scheme grants is delegated to the Corporate Director, Development & Renewal, who will be required to report the decisions to the Executive Members for Housing and Regeneration and to the Mayor at the Cabinet meeting immediately following the decision.

1. REASONS FOR THE DECISIONS

- 1.1 The report presented to Cabinet on 28th July 2015 set out the issues arising from recent government announcements. The most recent policy announcements were made in July 2015 as part of the government's Summer Budget (July 8th 2015) and are projected to have a profound long-term impact on both Local Authority HRAs and Registered Providers. The main announcement was that, from April 2016, social rents will be cut by 1% for four years.
- 1.2 The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the DCLG. The RTB receipts accumulated by the Council are referred to in paragraph 3.2. The market conditions are such in Tower Hamlets that these are likely to continue increasing for the foreseeable future. The conditions for the use of these receipts prevent the Council from using them in the course of usual business, in maintaining existing properties, including in regeneration schemes. One-for-one RTB receipts can only be used to fund up to 30% of the cost of rented affordable units.
- 1.3 The impact of these two factors on the Housing Revenue Account (HRA) were detailed in the July 2015 Cabinet Report on the HRA and a strategy was

outlined in order to address it. A subsequent report was presented to the Mayor in Cabinet in October 2015. That report sets out a three part programme and introduces new approaches alongside the traditional house building approach. The Council is seeking to meet the deadline for the expenditure while at the same time targeting client groups who have a specific housing need.

- 1.4 In addition, the government's proposal to extend the RTB to housing association tenants is intended to be partly funded through the sale of high value Council housing assets. The stated intention is that local authorities will sell their high value stock when it becomes void, and that an element of the resulting receipts will be used to provide compensation to housing associations. The impact of these policies is likely to have an adverse effect on the Council's capital programme; in the light of this a prudent approach includes making best use of existing retained RTB receipts in order to maximise the possibility of achieving the Council's outcomes for affordable housing.

2. ALTERNATIVE OPTIONS

- 2.1 Doing nothing has been considered, However, whilst in the short term it would remove the pressure on the HRA, it would then result in the Council having to return RTB receipts to central government with interest (*compounded 4% above base rate*), in line with the conditions of usage set down by the DCLG. Therefore, this scheme could be considered to be an efficient use of the current available resources.
- 2.2 In considering whether to return the RTB receipts to central government, the Council has the duty to consider not only the financial impact on the HRA but also the provision of affordable housing, the acute housing need in the borough, and service enhancements made possible through the use of the RTB Receipts. Giving up the one-for-one RTB receipts would imply that the Council would not take the opportunity of exercising greater control over the provision of affordable housing. Instead, funding affordable housing delivery by the housing association sector allows the Council to target its own priorities, without the restraints of the conditions of GLA grant and of the requirements of the HCA Capital Guide.

3. DETAILS OF REPORT

- 3.1. On 17 December 2014, the Secretary of State made directions ('2014 Directions') in relation to the Council pursuant to powers under section 15(5) and (6) of the Local Government Act 1999. Those directions are in place until 31 March 2017. The 2014 Directions provide that 'all functions the Authority exercises relating to the making of grants under any statutory power or duty', which includes any grants pursuant to section 1 of the Localism Act 2011 (but excluding the Disabilities Facilities Grant) are to be exercised by the Commissioners. Accordingly the setting up and administering of the Local Affordable Housing Grant Programme scheme requires a decision by the Commissioners.
- 3.2. The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the DCLG. The conditions for the use of these receipts prevent the Council from using them in the course of usual business, in maintaining existing properties, including in regeneration schemes. The Treasury also prevents their use in combination with HCA/GLA grant funding and additional borrowing specifically granted by central government under the Local Growth Fund. One-for-one RTB receipts can only be used to fund up to 30% of the cost of rented social or affordable units.
- 3.3. The borough holds a total of £29.9m RTB receipts (one-for-one retained receipts) to be spent by Quarter one of 2018/19, requiring a total spend of £99.8 million on replacement social housing.

RTB Sales	Quarter Received	Retained one for one Receipts (30%) £	Spend needed on social housing £	Spend Deadline	Council resources needed (70%) £	Cumulative spend needed on social housing £
1	2012/13 – Q1	-	-	-	-	-
2	Q2	-	-	-	-	-
2	Q3	-	-	-	-	-
7	Q4	-	-	-	-	-
1	2013/14 – Q1	-	-	-	-	-
13	Q2	-	-	-	-	-
26	Q3	1,503,000	5,010,000	31/12/16	3,507,000	5,010,000
46	Q4	3,508,000	11,693,000	31/03/17	8,185,000	16,703,000
50	2014/15 – Q1	3,480,000	11,600,000	30/06/17	8,120,000	28,303,000

RTB Sales	Quarter Received	Retained one for one Receipts (30%) £	Spend needed on social housing £	Spend Deadline	Council resources needed (70%) £	Cumulative spend needed on social housing £
51	Q2	4,246,000	14,153,000	30/09/17	9,907,000	42,456,000
86	Q3	7,065,000	23,550,000	31/12/17	16,485,000	66,006,000
68	Q4	6,115,000	20,383,000	31/03/18	14,268,000	86,389,000
49	2015/16 – Q1	4,024,000	13,413,000	30/06/18	9,389,000	99,802,000
78	Q2	6,660,000	22,222,000	30/09/18	15,540,000	122,024,000
480		36,601,000	122,024,000		85,401,000	

Table 1. – Current level of RTB one-for-one receipts and Council contribution needed

- 3.4. On 12th October 2015 the Mayor in Cabinet approved a capital programme to address the issues around the accumulated Right To Buy Receipts and the conditions for their expenditure. This included a range of measures, one of which was the provision of £7.06m to Registered Providers towards the delivery of affordable housing units for rent for letting to housing applicants on the Council’s Housing Waiting List.
- 3.5. It is proposed that the Council set up a Local Affordable Housing Grant calling on RPs active in the borough to use the grant
- in the construction of new homes on land acquired by the RPs
 - in the construction of new affordable homes on land owned by the Council which will be disposed at best consideration
 - in the acquisition of properties either on the open market or of leasehold buybacks (this would apply to previously transferred estates) whereby the RPs would buy back the dwelling and offer the nomination rights to the Council instead of building a new unit.
- 3.6. For the schemes to count towards the Council Right To Buy Receipts spend, the units must be built or acquired and the money defrayed. In addition, the government guidance reminds Authorities that the one for one receipts must have been spent by the required deadline. In the event that RPs within the borough failed to spend sufficient sums, or do not spend by the required deadlines, the Authority would be liable for any interest arising from a failure to spend in line with the Right to Buy agreement. In order to spread risk between the RPs and the Council and to make it attractive to RPs, it is proposed that the allocations are subject to review and to a clawback mechanism. Scheme allocations which do not project to meet the deadline of spend will be reallocated to other schemes to enable a full spend within the required timescale to spend RTB receipts before their maturity. Schemes that

keep to their delivery outputs and time-table will not be liable to have their funding withdrawn.

- 3.7. The sum of £7.06 million represents a 30% one for one contribution towards RP schemes, therefore the total amount of replacement social housing that could be delivered would be £23.550 million, which represents the amount of total spend required by the end of December 2017.

3.8. Added Value

- 3.8.1. In considering outsourcing part of the RTB Receipts Programme to RPs, the enhanced benefits of bringing in a third party must include the outputs. The programme must produce something which is greater than which the Council can achieve by itself.
- 3.8.2. The context of affordable housing is rapidly changing; the current Housing Bill redefines affordability as an ownership product. In this context, any scheme which includes affordable rented housing units is an additional benefit as the Council will no longer be able to impose the provision of Affordable Rented units to developers.
- 3.8.3. Currently, the Council benefits from nominations to Affordable Rented units under Section 106 Agreements. If a grant is considered, it must be in order to make a scheme viable where previously it was not considered to be and was not going to be built. The relevant viability assessments must be provided demonstrating the value of the grant to the scheme.
- 3.8.4. Schemes which include land assembly of parcels in multiple ownership, may be assisted by a grant where the Council owns one of the land parcels and where the Council has not been able to develop the site to date, for reasons of capacity, borrowing cap or availability of capital funds. The benefit to the Council is the development of the site which otherwise would not take place and would not generate any Affordable Housing. In order to ensure that this does not result in a property undervalue, the valuation of the land will need to be undertaken prior to the grant being awarded and will need to be on an open market basis (not restricted use).
- 3.8.5. Schemes which are proposed to be on brownfield sites owned by the Council which would not deliver any Affordable Rented (AR) units on the open market, are considered to be prime applicants for the grant. These schemes would also be accompanied by a land transfer for which the Council would receive best consideration. These sites are likely to be too small to trigger the AR threshold in planning.

Scheme Criteria

3.9. It is proposed that priority be given for homes that meet the LBTH specific strategic criteria:-

- Deliverability – the scheme must be deliverable within the desired timeframes. Milestones will be set and the grant will be repayable if the milestones are not achieved. Schemes with planning permission will be prioritised.
- Affordability – preference will be given to homes that are most affordable to local residents.
- Tenancies – preference will be given to homes with longer tenancies as the RTB receipts fund permanent social/affordable rented accommodation.
- The grant element will represent a maximum of 30% of the scheme cost and can only be utilised for the replacement of Affordable rented Units although this can be part of a larger mixed tenure development.
- Delivery of other strategic objectives of the Council and deliver wider community benefits.
- Accessibility – Homes for residents with disabilities will be fully accessible and preference will be for wheelchair housing located on the ground floor. Preference will also be given to schemes that assist the housing of households with disabled members. No less than 10% of the rented stock in the scheme will be wheelchair units.
- Schemes that fit in with the Planning or supported Borough Housing Investment Strategy e.g. Whitechapel Master Plan area
- Schemes that exceed the minimum planning requirements for the provision of Affordable Housing

3.10. Scheme Evaluation

	<i>Criteria</i>	<i>weigh ting</i>	<i>Evidence</i>
1	Deliverability	30%	Time-table for the expenditure of the grant
2	Value For Money	15%	a) A Development Appraisal showing that the valuation of the scheme post

		5%	development is greater than the input costs including the land asset. b) The development costs are comparable to industry average for similar sites taking into account extraordinary costs.
3	Affordability	15%	The <i>maximum</i> affordable rent levels proposed are at the “POD” rents level as provided by LBTH
4	Tenancies	15%	Tenancies are offered for 10 or more years
5	Loan Arrangements	10%	Provides evidence of funding and/or loan arrangements being in place
6	Accessibility of units	5%	No and Quality of Wheelchair Units provided
7	Good Fit with Strategic Objectives	5%	Masterplanning areas fit in with LBTH priorities
	Total	100%	

Development Standards

3.11. Standards of Development for the Local Affordable Housing Grant Programme will include:

- LBTH Planning Guidance on Affordable Housing sets the base standards
- Schemes should meet planning policy on mix, on bedroom size, tenure, and other standards
- The London Housing Design Guide will apply
- The Tower Hamlets draft Design Guide for Council owned Affordable Housing (where applicable)
- RP approved design standards

Developments which are part of Section 106 may be included if they meet the standards below and increase the supply, quality and affordability of housing.

Tenure & Rent

- 3.12. Using the Managing Development planning document as guidance, schemes will prioritise the delivery of Social rented units in each scheme. Other tenures such as market sales or market rented units can be included if they assist scheme viability but will not attract funding under the programme. A Development Appraisal must be submitted with each scheme in order to demonstrate scheme viability and that the funding objectives are met.
- 3.13. The rent level will be agreed with the funder of the scheme prior to seeking planning approval and will actively consider the recommendations of the Council's Housing Policy and Affordability Commission.
- 3.14. The Service charge element should not be more than 15% of the rent where this is not included in the rent to be charged in line with the borough's current practice.
- 3.15. The developer RPs will be required to sign up to the standard LBTH Rents and Nominations Agreement.

3.16. Grant Bidding Process

- 3.16.1 The Council is keen to have a bid uptake which is as early as possible and which delivers in the time-frame that matches the Right To Buy Receipts expenditure profile. The Council will operate an open bidding procedure that will take place in two stages. Initially, via advert, bidders will be invited to express a general interest and such bidders will be vetted against general criteria for suitability, such as registration certification, financial stability etc. Having passed such criteria, the successful bidders will then be invited to submit details of the particular schemes for which they are seeking funding. This will be a continuous process until all the available funding has been initially allocated to potential schemes.
- 3.16.2 The first stage include bids submitted to a deadline which will occur shortly after the Commissioners' decision to enable schemes and which have planning permission or are planning ready to be in the Programme in Quarter One of 2016.
- 3.16.3 Following the initial invitation to submit proposals, a process of continuous market engagement (in the manner of the GLA programme) will be open for delivery in the Years 2016-20 with each potential bidder having been

assessed under Stage 1 of the process. The Council will issue a statement when it stops accepting bids, once it has allocated the total grant amount.

3.16.4 Successful bidders will be required to sign a contract, and agree to include in any advert where they seek contractors and consultants to work on the scheme the fact that the scheme is part funded by the London Borough of Tower Hamlets, thereby satisfying the procurement requirements. The contract will also include a condition of compliance with EU legislation and an agreed process for ensuring that the Council's constitution relating to the Council's expenditure is followed as closely as possible. There will also be provision for scheme audits, monitoring and information requirements.

3.16.5 They RPs will need to demonstrate that their organisation is viable and has sufficient liquidity to undertake the size of programme they are undertaking. The Annual Business Plans of RPs are assessed regularly by the Regulator and this assessment will need to be shared with the Council along with other regular information such as insurance and annual accounts.

3.16.6 The draft time-table is as follows:

CMT	17 th November 2015
Commissioners' Meeting	2 nd December 2015
Decision is effective	11 th December 2015
Expression of Interest	14 th December 2015
Invitation To Bid	January 2016
Bids Close	Mid- February 2016
Site Visits and Clarifying Questions	Mid Feb -1 st March
Bid Assessment Panel Meeting	1 st March 2016
Report on Successful Bids	End of March 2015
Grant Awards	Quarter 1 - 2016/17
Meeting of All Successful Partners	Quarter 1 - 2016/17
Grant Agreements are signed	Quarter 1 – 2016/17

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report requests that the Commissioners agree that £7.06m of retained RTB receipts be ring fenced for a Local Housing Affordable Grant programme, and that the criteria for the grant will be as contained in this report and its Appendices.
- 4.2 The sum of £7.06 million represents a 30% one for one contribution towards RP schemes, therefore the total amount of replacement social housing that could be delivered would be £23.550 million, which represents the total amount of currently unallocated spend required on replacement social housing by the end of December 2017.
- 4.3 Even if the Authority passes one for one receipts to a third party, the responsibility to spend the required amount on replacement social housing remains with the Authority. In the event that third parties fail to spend sufficient sums, or do not spend by the required deadlines, the resources will be payable to the Government, with the Authority being liable for any interest payable arising from the failure to spend in line with the Right to Buy agreement.
- 4.4 Government guidance reminds Authorities that the one for one receipts must have been spent by the required deadline; a contracted commitment to spend the resources does not count as 'spend', nor does the fact that an Authority has granted the one for one receipts to a third party count as 'spend'.
- 4.5 Therefore it will be crucial that the Authority closely monitors projected and actual progress by third parties. This report proposes in paragraph 3.6, that in order to spread risk between the RPs and the Council, allocations are subject to a review and clawback mechanism, and that scheme allocations which, at particular milestones, do not project to meet spending deadlines will be reallocated to other schemes. This approach should help to mitigate the risk of paying resources to the Government.
- 4.6 This report also requests that an Affordable Housing Grant Panel be set up under the Corporate Director, Development & Renewal for the purpose of assessing development proposals, reviewing bids for grant funding and of making recommendations for the award of grant, and that the decision to award scheme grants is delegated to the Corporate Director, Development & Renewal, who will be required to report the decisions to the Executive Members for Housing and Regeneration and to the Mayor. It is anticipated that these functions will be absorbed within existing resources.

5. LEGAL COMMENTS

- 5.1. The power of the Commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 5.2. The wording used by the Directions is that the Commissioners will exercise the power "relating to the making of grants under any statutory power or duty". There is no definition of grant given under the Directions and therefore, the assumption must be that a grant is that which would be deemed to be a grant under the law. There is no strict legal definition of grant. However, in circumstances where the council exercises its discretion and funds are given to an external body on the basis of a set of criteria, with some conditions as to use, this is often regarded as a grant.
- 5.3. In order to ensure that the grant does not qualify as procurement activity the Council must ensure that there is no pecuniary interest taken in the grant by the RP beyond the general receipt of the funds. Therefore, the Council must ensure that it is agreeing to cover actual cost to ensure that no profit element is taken by the RP.
- 5.4. It is clear that each RP who receives a grant of this sort may gain an advantage in the market place generally for example, in respect of bidding for funding and work opportunities that could subsequently arise. Therefore, this might usually be considered state aid and offend a further set of European Regulations. However, it is clear that there is no cross border interest for two reasons. It is unlikely that the advantage gained by an RP would assist it to bid for services and work in another member state. Also, it is clear that the funds are available in order to create affordable housing in the Tower Hamlets area and not anywhere else within the European Union.
- 5.5. Also, the Council is undertaking this route to "remedy a failure in the market place" in that it is making these grants to make good a shortfall in the building of affordable housing. Again grant aid that might otherwise be unlawful is allowable under this context.

- 5.6. The Council is obligated under the Treaty For the Functioning Of The European Union to deal with all bidders in a fair open and transparent way. Therefore, the Council must allow fair access to the funding by all potential recipients. This means that the Council should advertise the availability of the funds and assess bidders and their bids on predetermined preadvertised criteria applicable to all in the same way.
- 5.7. To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure the Council has power to make the grants in question. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may be utilised to give grants to RPs, provided there is a good reason to do so. DCLG guidance specifically comments on the option to grant fund RPs. There may be a good reason for giving a grant if it is likely to further the Council's community strategy which is contained within the Tower Hamlets Community Plan. This is addressed in the body of this report.
- 5.8. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is referred to as the Council's best value duty. The means by which the best value duty is addressed is set out in paragraph 7.
- 5.9. There should be a grant agreement for each grant and provision made to ensure delivery of the project in line with the application and approval, including time scales having regard to the implications of failure to comply as set by central government. Robust monitoring requirements need to be in place, and contingency plans developed.
- 5.10. When making a decision to create a grant scheme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. On reducing inequalities, this proposal will help deliver real and lasting change. The delivery of more affordable homes will help give households, particularly those from black, Asian, or other minority ethnic backgrounds on low incomes (many of whom are benefit dependent) a secure home. This has the potential to create an environment for household members – particularly children – to improve their educational attainment which will in turn help them access sustainable employment in the future. The delivery of more housing that is wheelchair accessible and meets lifetime homes standards is a proven method to help reduce inequalities.
- 6.2. The provision of additional rented schemes can potentially impact on community cohesion. The amount of private housing developed for sale and private rent has been particularly high in Tower Hamlets. However, the large majority of this housing is inaccessible to residents due to high house prices. Therefore, maximising the amount of affordable housing for rent wherever possible can contribute to community cohesion. This can be achieved by reducing the number of households on the Common Housing Register waiting for a home, whilst also giving an opportunity for local applicants to access low cost home ownership opportunities.
- 6.3. The Local Affordable Housing Grant scheme directly makes a significant contribution to the core Local Plan target of new affordable homes delivery. The programme also makes a wider contribution to Community Plan objectives, such as on increasing household recycling; reducing crime (through Secure By Design standards); and increasing skills and training opportunities. The proposal is a good 'strategic fit' with the Community Plan and will help Tower Hamlets deliver both the housing and sustainable communities priorities identified.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 This is a capital programme which proposes to make use of the Council resources in order to fund partners in the delivery of affordable homes rather than be required to pay interest to the government on unspent receipts. It places the responsibility for 70% of the costs of building replacement one for one homes on RPs, thereby protecting the borrowing margin of the Council and making possible the delivery of larger programmes.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

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

9. RISK MANAGEMENT IMPLICATIONS

- 9.1. A Grant Agreement will be drawn up by the Council's Legal Services and will be issued with the bidding documents.
- 9.2. Bidders will be required to provide proof of their ability to finance the scheme in the form of a funder's letter. (See Schedule 2- Assessment Criteria)
- 9.3. Bidders will be required to be or become a Member of the Common Housing Register and to sign up to the Standard Nominations Agreement in order to ensure that the Council benefits fully from the programme.
- 9.4. An audit of the programme will be planned and will be provided for in the Legal Agreement.
- 9.5. The scheme is required to adopt an open book approach so that the Council is able to scrutinise the project finance.
- 9.6. The qualifying criteria (see Schedule 2 Bidding Criteria Spreadsheet) are safeguards against organisations that would not have the capacity, expertise or financial stability to deliver the programme.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The schemes proposed will be designed to Secure By Design Standards. The conditions of the housing grant programme will include the need to meet the London Housing Design Guide and other standards of building including Secure by Design.
- 10.2 The impact on the local community and the local environment will be factors in assessing the quality of a scheme proposal. RPs will be encouraged to identify sites which if developed, would improve the safety and security of the local communities.
- 10.3 The role of design in "designing out crime " will be part of the solution for addressing community safety hot spots in the borough. In addition, the natural surveillance offered by the new developments is likely to improve safety in the respective areas.

11. SAFEGUARDING IMPLICATIONS

11.1 N/A

Linked Reports, Appendices and Background Documents

Linked Reports

Cabinet Report 28th July 2015 – Strategy & Options for the Use of Right To Buy Receipts

Cabinet Report October 2015 – Housing Resources and Capital Delivery

Appendices

- Grant Application Form
- Schedule One – The Bidding Process
- Schedule Two - Monitoring Framework

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

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

Officer contact details for documents:

Geeta Le Tissier – Geeta.LeTissier@towerhamlets.gov.uk, tel. 0207 364 6094

London Borough of Tower Hamlets

Application for Local Affordable Housing Grant – 2015-19

Registered Providers Only

1.	Applicant's Name and Company Registered Address		
2.	Name and Contact Details of Lead Officer in Connection with the Grant Application		
3.	HCA Registration	YES/NO <i>Please give details</i>	
4.	Regulator Ratings – Governance & Viability		
5.	Date the Board of the Housing Association approved the Grant Application & Name of Chair of the Board		
6.	Experience of Developing in the borough of Tower Hamlets		
7.	No and Size of Affordable Rented Units To be Funded from Affordable		

	Housing Grant		
8.	Amount of Grant Applied for per Unit		
9.	Gross Development Value of Scheme		
10.	List the Documents Appended to this Application and what they are in support of		

I confirm that the above information is correct and that all the attached documents are listed in Box 10. and that their contents are accurate to the best of my knowledge.

Signed:

Name & Position:

Date:

DRAFT

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The LBTH Affordable Housing Grant Scheme (2016-2019)

Schedule 1 - The Bidding Process

Registered Providers (RPs) will be invited by way of an advert to submit an expression of interest in order to be included in the bidding for the funding. The expression of interest has the form of a basic qualitative assessment as detailed below, and follow the draft timetable set out in the report.

Qualifying RPs will be required to have knowledge of the borough's housing needs, be a signed up member of the Common Housing Register, have a management arm based in the borough, be easily accessible to their new tenants, and have extensive experience of affordable housing development. They will need to be on the Homes and Communities Agency (HCA) published list of RPs and have the financial liquidity needed to successfully deliver a development programme over period of the grant scheme.

1. First Round Bids

The advert will be placed immediately after the decision to operate a grant scheme is made. Following assessment of the expressions of interest, successful applicants will then be invited to submit detailed proposals. Priority will be given to schemes with planning permission or in the planning process, and these would be expected to form the majority of bids by the first closing date, expected to be in February 2016.

2. Composition of Bids

Bidders will need to provide details of the sites and scheme details, including

- size and number of units
- tenure mix of the development
- estimated rent levels and service charges
- detailed cost estimates
- a development timeframe and
- the amount of grant sought

Bidders will also be asked to provide proposals which deliver spend within a set time-table designed to meet the requirements of the Council's Right To Buy Programme.

3. Assessment

The bids will be reviewed by the Affordable Housing Team in accordance with the bid selection criteria, and will be the subject of consultation with the Area Planning Teams to ensure that the scheme accords with Council planning policy and is deliverable. An Assessment Panel will be set up to make recommendations to the Director; it will have representatives from the Development Team of Strategic Housing, the Affordable Housing Team, Development & Renewal Finance and Strategic Planning (with clearly set boundaries which do not conflict with the Planning Applications Team).

Bid selection criteria will centre around financial performance (Business Plan, value for money and local economic benefits), number and size of units and quality of the affordability offer (tenure, rent levels and design quality).

The RPs will be expected to provide a Viability Assessment to ensure that the schemes represent value for money, that the outputs match the needs of housing in the borough, and that the proposed development timeframe is achievable.

Approval will be subject to a legal agreement between the Council and RP, which will set out objectives and outcomes, units to be delivered, and the total amount of grant receivable by the RP. Grant will be given in tranche payments which will be subject to satisfactory performance. The grant will make provision for a clawback mechanism if the delivery is not within the terms agreed.

The agreement will also include other mechanisms to protect the Council's resources in the event of non or slow delivery. For example, achievement of all necessary consents will be a condition of the agreement proceeding.

4. Continuous Market Engagement

Throughout the life of the Local Affordable Housing Grant Programme, and subject to funding, a process of "continuous market engagement" will continue between the Council and RPs in order to allow for new bids to be considered as and when they are sufficiently developed. It will be similar to the current process that operates between RPs, the Council and the GLA for GLA grant funded schemes.

As with the first round of bids a similar level of information will be required, and as the programme nears completion, the schemes approved are likely to be more “off the shelf” or leasehold buy back acquisitions to ensure the projects are completed by the Right To Buy Receipts deadline.

Any applicants who have not already submitted a bid but seek funding following round one will be required to undertake the same initial qualitative assessment under the expression of interest process.

The Council may issue adverts inviting bids throughout the period 2016-19 until the Right To buy Receipts target expenditure is achieved. It will publish a notice when it stops to accept all bids under the programme.

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LBTH Affordable Housing Grant Scheme (2016-2019)

Schedule 2 - Monitoring Framework

1. Governance

The programme governance will be the following:

Executive Members Housing and Regeneration and the Mayor will have an oversight of the programme.

The Major Projects Board receives reports on the Right To buy Receipts Programme and will consequently be updated regularly on the Local Affordable Housing Grant programme.

The management of the Local Affordable Housing Grant Programme will be the responsibility of the Affordable Housing Team.

2. Scheme Review Meetings

Meetings will take place quarterly. The responsibility for convening will rest with the Local Authority. The records of the meetings will be part of the formal monitoring data and will be subject to audit.

The Review Meetings will be attended by the project / scheme lead officers from the Registered Provider, at least one housing or development officer from the Council, a Finance officer from the Council.

3. Terms of Reference of the Review Meeting

These will be as follow:

- Review the scheme as submitted by the RP in the bid
- Consider and agree any changes in dwelling/tenure mix
- Sign off the Design prior to Planning submission
- Track the progress of milestones against agreed forecasts
- Approve “Employer Requirements” for Contractor
- Agree the proposed works budget post works tender prior to the appointment of the contractor
- Receive copies of key documents including Planning Consent, Confirmation of Start On Site and Practical Completion Certificate
- Review scheme costs which will be provided by the RP on an “open book basis” at regular points during the development process including pre-tender and post-tender
- Receive budget profiling information including profiling of the grant expenditure and cashflow within the requirements of the Right To buy Receipts Agreement between LBTH and CLG
- Sign off the Specification prior to the works tender
- Monitor the Programme Performance Agreement (PPA)
- Set up a final scheme review prior to the approval for the payment of the

- grant to be processed
- All information will be supplied by the RP at least 5 working days before the meeting on a prescribed schedule of information to be agreed.
- Any changes resulting from delays to agreed forecasts, planning requirements, changes in the specification of works due to an increase in work's costs following return of tenders, must be raised immediately, the issues discussed and the way forward agreed with the LA and not wait for the quarterly meeting cycle.

4. Scheme Details


See Appendix One on Bidding Process and Scheme Criteria

5. Monitoring Arrangements

The monitoring arrangements will be part of the Legal Agreement. Partners will be required to sign following approval of their bids. The legal agreement will have been issued with the tender documents. Any queries pertaining to the Legal Agreement will have been raised during the tender process. Provision will be made in the Legal Agreement for variations to be authorised and issued by the Local Authority in consultation with the Registered Partner. In exceptional circumstances only and only when the circumstances are unavoidable and were not known and could not have been known at the time of tender, will the Registered Provider Partner be able to request a change to the Legal Agreement.

It is anticipated that the monitoring arrangements will follow closely the current arrangements in place for grant funding by CLG and the GLA in the expenditure of public funds. Registered Providers will be familiar with these.

The L.A. Authorised Officer for the Affordable Housing Grant Scheme is the Service Head, Strategy, Sustainability and Regeneration of the Development & Renewal Directorate. The attendance to meetings, approval of stages and documents and other functions attributable to the role of Authorised Officer may be delegated to other officers as s/he sees fit.

<p>Commissioner Decision Report 2nd December 2015</p>	 TOWER HAMLETS
<p>Report of: Aman Dalvi Corporate Director Development & Renewal</p>	<p>Classification: Unrestricted</p>
<p>Request to Commissioners to delegate grants decisions in the Housing Options Service</p>	

Originating Officer(s)	Jackie Odunoye/Rafiqul Hoque
Wards affected	All
Key Decision?	No
Community Plan Theme	A Great Place to Live

Executive Summary

This report seeks Commissioners’ agreement to delegate authority to the Corporate Director of Development & Renewal or his nominee to agree one-off removal payments to service providers to enable under occupying tenants to downsize. This will release much needed family size accommodation that can be allocated to other applicants on the housing list and tackle the severe overcrowding that exists in Tower Hamlets.

Recommendations:

The Commissioners are recommended to:

1. Delegate the decision making to the Corporate Director of Development & Renewal to define and agree rates for incentives to be made available to tenants wanting to downsize in order to tackle the severe overcrowding that exists in the borough.
2. Delegate to the Corporate Director of Development & Renewal or his nominee the power to award the agreed incentive.

1. REASONS FOR THE DECISIONS

- 1.1 The Council receives DCLG grant of £75,000 each year to tackle overcrowding. The funding has been used to assist council tenants to downsize and release much needed family size homes for allocation to overcrowded tenants on the housing list. Presently we are only providing removal and, where necessary, packaging service for tenants moving from 3 bedrooms or larger size homes. The maximum grant paid per move including packing is £500. The spend against this budget so far this year is £4,327; last year it was £10,362, and the year before it was £16,297. Tenants are usually quite specific in terms of their housing preferences, and some of the vulnerable tenants, won’t move without a removal and packaging service

being provided for them.

- 1.2 The demand for social housing in Tower Hamlets is significant with over 19,000 applicants currently registered on the housing list. Over 40% of applicants registered for housing are assessed as being overcrowded under the allocations scheme, many severely overcrowded. Therefore, it is imperative that housing opportunities are maximised for all applicants whether they be overcrowded or live in homes that are under occupied.

2. ALTERNATIVE OPTIONS

- 2.1 The alternative is not to provide any financial assistance by way of removal expense to council tenants wishing to downsize, which will impact on the number of under occupying tenants that move and will increase the length of time some overcrowded applicants have to wait on the housing list for rehousing.

3. DETAILS OF REPORT

- 3.1 The demand for social housing in Tower Hamlets on 2 November 2015 exceeded 19,000 applicants. Over 40% of these applicants - 7045 registered on the housing list are categorised as being overcrowded. A significant number of them - 1291 are considered severely overcrowded lacking 2 or more bedrooms. In contrast, approximately 2000 homes become available to let each year, including relets and new built homes developed by registered providers operating in Tower Hamlets. Clearly, there is inadequate supply to meet the huge demand in the borough for social housing and to tackle the level of overcrowding that exist.
- 3.2 There are 1018 social tenants registered on the housing list classified as under occupying their current homes and assessed as requiring smaller size accommodation, of these 644 tenants are occupying a home with 3 or more bedrooms.
- 3.3 In order to maximise housing opportunities and ensure under occupied homes are released for letting the allocation scheme gives high priority to tenants that registered to downsize. They are placed in Band 1, the highest priority band. Overcrowded applicants are given high priority and placed in Band 2, and are offered advice and assistance on a range of housing options including, homeownership, knock-through, mutual exchanges etc.
- 3.4 The 2013 - 2015 Overcrowding and Under Occupation Statement was approved by Cabinet in July 2013 and has three strategic aims for tackling and reducing overcrowding:
 - Reduce overcrowding in existing housing stock, and put in place preventative measures to reduce future overcrowding
 - Continue to increase the overall supply of housing for local people including a range of affordable, family housing

- Prevent overcrowding and homelessness by providing access to the right housing options at the right time including a set of measures designed to reduce under occupation.

3.5 Under the Overcrowding and Under Occupation Statement the target is to help around 150 under occupying tenants to move to smaller size accommodation; and rehouse a minimum of 860 overcrowded tenants annually.

3.6 In addition to the work under taken by the local housing office, dedicated staff resource is allocated from Lettings to work with tenants who are overcrowded and under-occupying their homes. Regular home visits are carried out and appropriate advice and assistance given to maximise rehousing opportunities for them and where appropriate individual rehousing plans are agreed and implemented. They are assisted with the bidding process to make sure that they are assisted with suitable offers. Homes released by under occupying tenants are offered as chain lets to overcrowded tenants.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This report requests that the Commissioners agree to delegate authority to the Corporate Director of Development & Renewal or his nominee the to agree one-off payments for removal expenses to enable under occupying tenants to downsize.

4.2 As identified in the report, there is a severe problem with overcrowding in the Tower Hamlets, and these removal payments help to release family size accommodation for allocation to other applicants on the housing list.

4.3 This expenditure will be funded from within existing Housing Options budgets, specifically from a DCLG grant of £75,000 that the Council receives each year. The Overcrowding and Under Occupation Statement includes a target of helping 150 under-occupying tenants to move to smaller accommodation and rehouse a minimum of 860 overcrowded tenants annually, however, the spend against this budget so far this year is £4,327, therefore the full amount of budget provision may not be needed in 2015/16.

4.4 It is understood that the removal expenses are paid directly to one of three removal companies and are not paid to the individual tenants.

5. LEGAL COMMENTS

5.1 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law. However, grants are often given for a purpose so it is sometimes unclear whether a grant has been made or the arrangement is a contract for services. A contract for services is not a grant and therefore, an

arrangement which is classified as a contract for services would be outside the remit of the power conferred upon the commissioners to approve.

- 5.2 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, as a grant is in the nature of a gift, it is considered there must be some element of discretion on the part of the Council as grantor as to whom a grant is made to and whether this is made. If the Council is under a legal duty to provide a payment to a specific individual or organisation, and cannot lawfully elect not to make such a payment, then that should not amount to a grant.
- 5.3 One of the key distinguishing features between a grant and a contract for services is that with a contract for services the recipient of the money has a pecuniary interest beyond that in the receipt of the money itself. This is often in the form of taking a profit from the received.
- 5.4 In this case, the Council is not under a legal duty to provide one-off removal payments to service providers to enable under occupying tenants to downsize. The payments are discretionary and therefore considered to be a grant.
- 5.5 The power of the commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the "Directions"). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant). Para 4(iii) of the Directions provides that the Council shall comply with any instructions of the Commissioners in relation to the exercise of the functions listed in paragraph B which includes the making of grants. The Council shall also provide such information and assistance as the Commissioners may require for the purposes of exercising these functions. It is therefore open to the Commissioners to make arrangements for the decisions regarding these grants to be taken by the Corporate Director Development & Renewal or his nominee.
- 5.6 To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure that the Council has the power to make the grant in question. In that regard, the proposed grants would be supported by the Council's general power of competence. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence would support the payment of one-off removal payments to service providers to enable under occupying tenants to downsize.

- 5.7 When considering whether or not to delegate the power to the Corporate Director Development & Renewal to make these payments, consideration should be given to the arrangements in place to ensure that the power that is exercised is consistent with its best value arrangements. The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the Best Value Duty). Paragraph 9 below considers this in further detail.
- 5.8 It is also noted that the money for the grants is funded from a DCLG grant of £75,000 that the Council receives each year to tackle overcrowding. This funding has been used to assist council tenants to downsize and release much needed family size homes for allocation to overcrowded tenants on the housing list.
- 5.9 The proposed grants would falls under the *de minimis* threshold for the purposes of European restrictions on State aid.
- 5.10 When making grants decisions, 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 equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The impact of overcrowding is always most acutely felt by young children. Independent research has shown that the health, education and well-being of children growing up in overcrowded homes are all markedly lower. For example, youngsters sharing three or four to a bedroom are much more likely to suffer from infectious diseases. Their performance in school is affected by the lack of quiet space to study and having their sleep disrupted by other siblings at night. The lack of private space is particularly unfair on teenage girls sharing a bedroom with their brother.

“Living in overcrowded accommodation can, both directly and indirectly, have a devastating effect on families. Older children may spend more time outside the home, on the streets, simply to find privacy and space. Overcrowding may exacerbate stress, depression and in the worst cases domestic violence or breakdown of relationships.” (Tackling overcrowding in England, An action plan – CLG Dec 2007).

- 6.2. According to the demand statistics of 2 November 2015 73% of Asians, 10 % white and 9% of blacks are assessed as living in overcrowded housing. In contrast 30% of Asians, 44% White and 8% black social tenants are assessed as under-occupying their current tenancies. In order to ensure this disparity is

addressed as far as possible, it is essential to maximise housing opportunities for all residents in the borough, particularly those living in overcrowded conditions to mitigate the impact overcrowding living conditions has on health and education.

- 6.3. Available homes are offered through the choice based lettings scheme operated by the borough. Residents bid for them and are considered in accordance with their priority on the housing list as assessed under the Allocation Scheme.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The council will not be able to maximise housing opportunities for its residents and make best use of the limited resource that is available.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 N/A

9. RISK MANAGEMENT IMPLICATIONS

Under the Allocations scheme overcrowded applicants and tenants under occupying their social tenancies are prioritised for rehousing and will assist accordingly. There is also scope within the Allocation Scheme to address any risk that might arise taking into consideration extenuating circumstances and ill health of housing applicants registered on the housing list. There is a risk that this grant may be lost, in which case the council will have to explore if alternative finance can be made available to continue providing incentives to under occupying tenants.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 N/A

11. SAFEGUARDING IMPLICATIONS

- 11.1 N/A

Linked Reports, Appendices and Background Documents

Demand and Lets statistics available on Homeseekers website
www.thhs.org.uk

2013-15 Overcrowding and Under Occupation Statement is available on Council's website www.towerhamlets.gov.uk

Linked Report

- None

Appendices

None


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

- None

Officer contact details for documents:

Rafiqul Hoque 0207 364-0235

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<p>Commissioner Decision Report 2nd December 2015</p>	
<p>Report of: Aman Dalvi, Corporate Director</p>	<p>Classification: [Unrestricted]</p>
<p>Ocean Regeneration Trust grant funding 2014/2015, 2015/2016 and 2016/2017</p>	

Originating Officer(s)	John Coker
Wards affected	St Dunstons
Key Decision?	No
Community Plan Theme	A Great Place to Live

EXECUTIVE SUMMARY

This report updates the Commissioners on the need for ongoing socio-economic improvements and investment into the Ocean Estate through agreed funding structures administered by the Ocean Regeneration Trust (ORT). The ORT has been set up in accordance with New Deal for Communities (NDC) succession and legacy requirements as a vehicle for ongoing local regeneration. Cabinet agreed the “Ocean NDC Succession Strategy, 2010 and Beyond” in November 2009. This report seeks to fund the ORT in line with the decision of the 2009 report.

This grant will derive from Housing Revenue Account funding specifically generated from the rental income derived from the retail revenues from the south side of Ben Jonson Road.

RECOMMENDATIONS:

The Commissioners are recommended to:

1. Authorise the Corporate Director Development & Renewal to pay the Ocean Regeneration Trust a total of £210,000 being payments for 2014/2015 of £50,000, the current financial year 2015/2016 of £80,000 and the next year 2016/2017 also of £80,000.

1. REASONS FOR THE DECISIONS

- 1.1 To address the need for ongoing socio-economic improvements and investment into the Ocean Estate for the benefit of residents and groups, particularly those who are more vulnerable in the community.

2. ALTERNATIVE OPTIONS

- 2.1 Cease the socio-economic programme. To discontinue with the ongoing programme which the ORT has started would be at high risk of reputational damage to the council. The council has made investment through the NDC legacy funds to continue to provide essential community services in an area which still has high levels of deprivation after the physical works of new build, refurbishment and environmental improvements completed.
- 2.2 Establish the programme in-house (council). The expertise to continue with the programme within the council does not exist in one place; fragmented delivery of such a programme often leads to inefficient delivery and wastage. The Trust also has the wider remit of fund raising for the community through private sources, such as benefactors, banks, etc which the council could not achieve. Set up another organisation. This option would seem the least likely as significant investment has gone into the setting up and retaining the Trust's board and staff. The council's reputation would be at risk; community perception may be of a loss of community investment and not enough support to ensure the success of ORT.

3. DETAILS OF REPORT

Background

- 3.1 The ORT was set up in 2009 as a legacy vehicle to the Ocean NDC. It has begun to deliver on its objectives in line with the Cabinet decision of 2007. The ORT has since been registered as a Charity, has a functioning board, and is developing projects in line with the Council's agreed NDC Succession Strategy. It has become a key stakeholder in the community.

4. ORT FUNDING STRUCTURES 2011 – PRESENT

4.1 New Deal for Communities

At its inception as part of the Ocean NDC legacy, a set up fund of £300,000 was agreed with the Department for Communities and Local Government to be transferred to ORT. The funding split of £100,000 was transferred each year from 2011/12, 2012/13 and 2013/14. This enabled salary costs, office set up, stationery etc. and some small project costs for local organisations.

4.2 Ground Rents

The ORT receives the ground rents from the private homes for sale. The provision of ground rents was part of the council's mechanism to fund the ongoing community and legacy funding strategy for the Ocean. The annual sum collected once the

private homes for sale are complete is £105,000 plus RPI p.a. This has been collected each year, proportionately, as the new homes were complete.

4.3 Retail Rental Income

The rental income to date derives from the south side of Ben Jonson Road retail units. The south side income which started in 2011 has been proportionately transferred for the last three years. The sum of £80,000 was identified to support the Trust as income from the south side retail units. This is a temporary solution pending a permanent arrangement of rental income from the north side of Ben Jonson Rd once these units are complete and leased.

5. DETAIL OF THE REPORT

5.1 Grant payment 2014/2015

5.1.1 The ORT is due grant funds from the last financial year, 2014/15, and timely invoices were submitted by ORT. The amount due totals £50,000. Whilst payments have been made in the past, 2014/15 saw significant delays and following the Secretary of States direction, payments were halted. Payment of these monies will restore the organisations financial position to the position intended in the NDC Succession Strategy agreed with the council as ORT have paid in advance for services.

5.1.2 Appendix 1 shows the range of activities for which ORT incurred expenditure during 2014/2015. The Trust formalised a partnership with City Gateway to deliver women's services from the Harford St Multi Centre. This has been previously reported to the commissioners with a report agreed in April 2015 seeking permission to grant a licence to occupy the first floor of the centre at market rent which totals £42,000 p.a. The partnership is looking to deliver up to a £185,000's worth of services to the community.

5.1.3 ORT primarily incurred expenditure during 2014/2015 through the second round of its Community Grants programme. The total cost of awards made to groups and organisations were £36,000. A total of 14 organisations received grant awards.

The grants focused on:

- Further education, skill building, training and entrepreneurship
- Engaging young people in positive activities
- Promoting wellbeing and inclusion
- Improving the environment.

5.1.4 The Ocean Bursary - ORT is working with the Canary Wharf Further Education Trust to identify and support young people from the estate to the scheme – Appendix 1.

5.2 Current grant payment 2015/2016

5.2.1 The work that is currently being delivered in line with the agreed succession strategy is seeking full grant payment for 2015/2016 of £80,000 to carry on with their partnership services with City Gateway and independent projects such as small grants programme.

- 5.2.2 Appendix 2 outlines the plan for partnership delivery of ORT and City Gateway. The contribution to the partnership from the Trust is the annual rent of £42k to the council for 2015/2016.
- 5.2.3 The current year has seen the development of a training and employment project through a partnership of ORT, the council and Tower Project. Tower Project is a community based voluntary sector organisation and a leading service provider for children and adults with a learning disability, sensory disability, autism, physical disability or health related issue in the borough. The council and the Trust have helped support this project as a pilot scheme in the area. The aim of the project is to have 12 months recruitment, training and placement on the estate. The project aims to support young people and adults with health and safety and food safety qualifications in addition to actual work experience in the café.
- 5.2.4 In addition the council and ORT work closely on the Supported Internship Programme. The programme is a supported work placement six week scheme that runs during certain terms of the year with local schools. ORT and the council are currently mid-way through a term with a local young person at the Harford St Multicentre where they gain experience for eight hours each week.
- 5.2.5 A retail study is currently being carried out in partnership with the economic development team in LBTH in order to support retailers on the south side of Ben Jonson Road. The project aim is to maximise footfall and business in the Ben Jonson Rd area much like town centres improvement project that helped the Roman Road improve its offer to the local community. The project budget allocated is £35,000; an initial £5,000 to consult retailers and community, research and compile feedback, with the remaining £30,000 to support the retailers in business planning, marketing strategies, etc. with their ideas of individual and collective improvements for the area.

5.3 Future grant payment 2016/2017

- 5.3.1 2015/2016 has seen a significant broadening of ORT's reach in the community. The partnership with City Gateway and to a lesser extent Tower Project has strengthened the identity of the Trust. In addition the Trust aims to continue with their small Community Grants programme.
- 5.3.2 It is the intention of ORT to continue the partnership with City Gateway building on their current successful delivery of women's services on the first floor of the Harford St centre.
- 5.3.3 Similarly as the relationship with Tower Project develops ORT would look to offer wider support for their clients with the ongoing support of work placement opportunities across the estate.
- 5.3.4 2016/2017 will see the opening of the new shops on the north side of Ben Jonson Road. The investment into the south side is to support the retailers with their plans and strategies and to assist them in their offer as new shops start to open. The improvements and additional shops into the area will support a 'town centre' for the Ocean estate and improve the retail offer with increased opportunity for training and employment for Ocean residents.
- 5.3.5 There have been two rounds of Ocean Regeneration Community grants programme which has proved popular with local groups and organisations who apply for funds to deliver smaller projects. At the end of each round a networking event is held to

capture feedback on what the projects achieved. The Trust wants to continue with the programme in future years.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report seeks the approval of the Commissioners to release funding of £210,000 to the Ocean Regeneration Trust (ORT). Under agreements previously entered into as part of the Ocean NDC succession plan, the Trust receives funding from the Council, being an element of the income received from the retail units on the south side of Ben Jonson Road. These receipts are earmarked for the ORT in existing Housing Revenue Account budgets.
- 6.2 Following the Government Directions of 17 December 2014, payments to the ORT were suspended, pending Commissioner approval. This report seeks approval to pay £50,000 for the 2014/2015 financial year and £80,000 for 2015/2016. It is also seeking advance approval for funding of £80,000 for next year (2016-17). If approved, the 2016-17 payment will not be made until it falls due.
- 6.3 The retail units are held within the Housing Revenue Account, and therefore the HRA received the rental income. Although the Ocean Estate has been transferred to East Thames Housing Group, the activities of the ORT cover a range of services available to both Council HRA tenancies (managed by Tower Hamlets Homes) and social housing managed by Registered Providers (mainly East Thames in this case). The Housing Revenue Account contributes towards these activities through this funding stream.
- 6.4 The ORT occupies Council premises at Harford Street under the terms of a licence that was approved by the Commissioners on 29 April 2015. The Trust pays a market rent for the property from its own resources.

7. LEGAL COMMENTS

- 7.1 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law. However, grants are often given for a purpose so it is sometimes unclear whether a grant has been made or the arrangement is a contract for services. A contract for services is not a grant and therefore, an arrangement which is classified as a contract for services would be outside the remit of the power conferred upon the commissioners to approve.
- 7.2 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, as a grant is in the nature of a gift, it is considered there must be some element of discretion on the part of the Council as grantor as to whom a grant is made to and whether this is made. If the Council is under a legal duty to provide a payment to a specific individual or organisation, and cannot lawfully elect not to make such a payment, then that should not amount to a grant.
- 7.3 One of the key distinguishing features between a grant and a contract for services is that with a contract for services the recipient of the money has a pecuniary interest beyond that in the receipt of the money itself. This is often in the form of taking a profit from the received.

- 7.4 In this case, the Council is not under a legal duty to provide payment to the Ocean Regeneration Trust (ORT). The payments are discretionary and therefore considered to be a grant.
- 7.5 The power of the commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 7.6 To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure that the Council has the power to make the grant in question.
- 7.7 The proposed grant is supported by others of the Council's statutory powers, such as its general power of competence. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence supports the grants to the ORT.
- 7.8 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is referred to as the Council's best value duty. Best Value considerations have also been addressed in paragraph 9 of the report.
- 7.9 The Council must operate a fair and open application procedure to process a request to obtain funding. Requests for grant funding should ordinarily be measured against a predetermined set of criteria and the criteria themselves must be fair and transparent.
- 7.10 The grant agreement should include a clear monitoring process against defined parameters in order for the Council to demonstrate either: that delivery is in line with the application and, therefore, the grant achieved its purpose; or provide clear delineation where outcomes were not achieved and the reasons for such failure are apparent. Monitoring should therefore include measuring performance against the expected outcomes.
- 7.11 When implementing the scheme, the Council must ensure that no part of the funds issued represents a profit element to any of the recipients. The inclusion of profit or the opportunity of making a profit from the grant or third parties indicates that the grant is really procurement activity and would otherwise be subject to the Council's Procurement Procedures and other appropriate domestic and European law. This would mean therefore, that the Council would have failed to abide by the appropriate internal procedures and external law applicable to such purchases.
- 7.12 The Treaty on the Functioning of the European Union (TFEU) provides that certain government activities may be prohibited because they give an advantage in a selective way to certain entities, which might affect competition within the internal market. Those advantages may amount to prohibited state aid, or may be state aid which is either expressly allowed by the Treaty, or which may be allowed, dependent

on the circumstances. Certain activities are considered to be compatible with EU law however and which includes “aid having a social character” (see Article 107(2)(a) of TFEU. In this case, the grant is for the provision of social and community facilities and services and is therefore not prohibited.

- 7.13 When making grants decisions, 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 equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 The funding request for the ORT contributes to the council’s equality of opportunity aim. The proposed services enhance local residents’ chances to broaden their role in society and the workplace.
- 8.2 Activities by the Trust will help promote good relations within the community as local people see the Trust for the benefit of residents and groups, particularly those who are more vulnerable in the community.
- 8.3 The ORT proposals aim to target all residents an equal opportunity to access the services that will potentially be provided.

9 BEST VALUE (BV) IMPLICATIONS

- 9.1 The economic value of the ORT can be measured in the work to date e.g. community grants and the relationships they have built up within the Ocean community. To replace the Trust with another body in order to continue the socio-economic work started four years ago would need time and investment to restart the programme.
- 9.2 The ORT can deliver programmes efficiently through its partnership with City Gateway delivering programmes to support women in the community. In addition the Trust actively looks for community partnerships when assessing their small grant applications.
- 9.3 The council is committed to the effectiveness of a local organisation such as ORT to deliver the ongoing socio-economic programme for the community with a focus that the council could not deliver on.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 None

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The ORT has been in involved with community life on the Ocean for a number of years through the small grants programme, involvement with local organisations and through its development of the partnership with City Gateway. If the council grant was

not awarded it could be perceived as the local authority not willing to support the local community and risk reputational damage to the council.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The Trust has a remit to engage with wider projects and organisations in the community. They actively link with the local Safer Neighbourhood teams and the Anti-Social Behaviour (ASB) team within Tower Hamlets Homes to look at support for their efforts to reduce ASB in the community.

13. SAFEGUARDING IMPLICATIONS

- 13.1 The Trust will support organisations who work with the most vulnerable in the community. It will actively promote engagement with excluded individuals and community development within the area.
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Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- List any appendices
 1. **SLA Milestone (1st April 2014 – 31st March 2016)**
 2. **ORT/Citygateway Proposal Overview**
 3. **ORT Business Plan (draft)**

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

- None

Officer contact details for documents:

Or state N/A

SLA MILESTONES
(1 April 2014 – 31 March 2016)

1. Supporting Education

Ocean Bursary Scheme

The Ocean Bursary Scheme has been set up with Tower Hamlets and Canary Wharf (TH&CW) Trust using funding secured through the S.106 contribution associated with the development of 438-490 Mile End Road (Scape East) to help Ocean residents achieve their potential through higher education. In partnership with TH&CW Trust, ORT will publicize the Ocean Bursary Scheme and recruit suitable candidates. Publicity and recruitment will begin in April for the following academic year. The bursaries will be advertised in East End Life and information about the scheme will be sent to Queen Mary University of London, Tower Hamlets secondary schools and FE colleges attended by Ocean residents, local youth projects, local housing and other service providers, St Dunstan's ward councillors, local community groups, etc. During the period covered by the SLA it is intended that ORT will take sole responsibility for administering the scheme.

2014/15 Academic Year	Seven bursaries awarded
2015/16 Academic Year	Target: 12 bursaries awarded
2016/17 Academic Year	Target: 15 bursaries awarded

ESOL, literacy and numeracy

In partnership with City Gateway, from April 2015 deliver weekly ESOL, literacy and numeracy sessions from the Harford Street Multicentre targeting the most disadvantaged women and families from the Ocean Estate and surrounding areas.

2015/16	Target: 50 women
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Apprenticeships

In partnership with City Gateway, from April 2015 offer high-quality Business Administration and Childcare apprenticeship placements to local women. The apprenticeships will be based at the Harford Street Multicentre and will equip participants with on-the-job experience and robust qualifications, provide a progression route into sustainable employment.

2015/16	Target: 15 women
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Tower Project

In partnership with Tower Project, support for young people and adults with learning and physical disabilities in health and safety, and food hygiene to enable them to move into more advanced training or employment.

2015/2016	Target: 40 young people and adults
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Continuing with the Supported Internship programme in the work place.

2015/2016	Target: two young people
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2. Supporting Local Businesses

Supporting Ben Jonson Road Retailers

In partnership with LBTH Economic Development Services, give practical support to existing retailers on the south side of Ben Jonson Road and any new businesses that may be attracted to the area in the near future. The first stage will be a survey to assess the viewpoints of the retailers. This will be followed by surveys of local community customers and current users of the shopping centre. These surveys will provide an improved picture of what lines of business provided by existing and new retailers are likely to succeed, and how these lines of business can best be organized to meet consumer requirements. The second phase will offer more active support: support for individual retailers to enhance their marketing capability; advocacy of public realm improvements in transport, parking, signage and obtaining funding to implement such improvements; a publicity programme for the shopping centre as a whole; and consideration of special events to support the retail offer.

2014/15 Survey existing Ben Jonson Road retailers, local community customers and current users of the shopping centre.

Target: Provide up-to-date information on the types of businesses that are likely to succeed and how these businesses can best meet consumer requirements.

2015/16 Support retailers to enhance their marketing capabilities through training and 1-2-1 individual consultancy sessions.

Target: 15 retailers

Publicity programme for the shopping centre as a whole.

Target: To produce a Ben Jonson Road Special Offers guide or to organize a special event to support the retail offer and highlight the opening of the new retail units on the north side.

3. Supporting the Local Community

Ocean Regeneration Community Grants

ORT wishes to stimulate and encourage community groups and individuals to contribute to community life and the ongoing regeneration of the Ocean area. To strengthen links with local community and resident groups, ORT will offer Community Grants to support local community projects.

2014/15 Community Grants totalling £38,725 awarded to support 13 local projects.

2015/16 Target: Community Grants totalling £35K awarded to support 12 local projects.

Target: Assist five local groups to seek alternative funding sources and, where necessary, advise on structure and development, to lessen their dependence on local funding streams for support.

4. Developing Partnerships

Ocean Stakeholders' Workshops

ORT is aware that other organizations working in the Ocean area share many of its objectives and to avoid duplication and build on existing work, the Trust will continue to facilitate meetings for key stakeholders. The objectives going forward will be:

- Steering local activity stimulated by information sharing
- Leveraging money into the neighbourhood
- Mapping local provision by activity and beneficiary group
- Identifying gaps and duplication in local provision
- Coordinating and enabling joint bidding for funding.

2014/15 Target: In partnership with LBTH, organize a half-day workshop for Ocean stakeholders to learn about and contribute to the Council's Ocean Review.

2015/16 Target: Organize a half-day workshop for Ocean stakeholders to discuss the implications of the Ocean Review recommendations.

Target: Organize a half-day workshop for Ocean stakeholders to start mapping local provision by activity and beneficiary group; identify gaps and duplication; and explore the opportunities for coordinating and enabling joint bidding for funding.

Encouraging Ocean Housing Providers Joint Working

There are five housing providers with properties on the Ocean Estate offering tremendous potential for collaboration both on community development activities and wider estate management and maintenance issues. Informal discussions with two of the major housing providers have been positive and interest has been expressed in exploring the feasibility of working together to harmonize maintenance and management regimes and pooling resources to deliver employability programmes to help local people into work or training or to return to education. ORT will work with Ocean housing providers to facilitate further discussion of collaborative working and to support any resulting initiatives.

2014/15 Target: Organize a meeting for the major Ocean Estate housing providers (East Thames, Tower Hamlets Homes, Gateway Housing Association and LBTH) to explore the potential for collaboration.

2015/16 Target: Facilitate further discussion of collaborative working and support any resulting initiatives.

ORT/City Gateway Partnership Proposal Overview

The ORT will continue their ongoing projects as described above. The partnership work is described below. This work started on the 1st April 2015. ORT/City Gateway propose a £185k a year project that engages the most disadvantaged from the Ocean Estate and surrounding area, aiming to improve their economic and social wellbeing whilst increasing community cohesion. Key elements of the proposal are:

- Services primarily aimed at the most disadvantaged women and families in Ocean Estate and the surrounding area;
- Engage, mentor and train the most excluded individuals;
- Bring together different groups and cultures, and work against conflict and division;
- ESOL, literacy, numeracy, and apprenticeship sessions every week
- Innovative community development programmes – Advice Champions, Health Café and Advice Cafe
- Employment development workshops, including CV writing and Apprenticeships
- Promote local economic growth through the development of sustainable social enterprises
- A structured plan in place to look at longer term fundraising for potential multi-year partnership.



OCEAN REGENERATION TRUST

BUSINESS PLAN

2015/16 – 2017/18

A great place for families nestled around the green spine of Stepney Green, Regent's Canal and Mile End Park Leisure Centre: Stepney will remain largely residential and will offer high-quality new housing alongside regenerated housing estates. The improvement in retail and commercial provision and environment will be reflected at Ben Jonson Road and around a new town centre at Stepney Green tube station. Enhancements to the extensive network of green spaces such as Stepney Green and Trafalgar Gardens will draw people from one green space to another, and bring residents and visitors into the area. The central green spine will act as a wildlife haven and a lung for the area. This will support the area's suitability for family housing, its conservation areas, rows of terrace housing and network of streets.
Tower Hamlets Adopted Core Strategy (2010)

Contents

1. Introduction
2. The Ocean Regeneration Scheme
3. The Strategic Context
4. ORT Priorities
5. ORT Programmes and Projects
 - Stepney Life Centre
 - Welfare benefit advice and guidance and employment support
 - Working with stakeholders and housing providers
 - Community grants
 - Support for Ben Jonson Road retailers
 - Ocean Estate bursary scheme
 - Information sharing
 - Research
6. Ocean Review
7. Resources

1. INTRODUCTION

- 1.1 The Ocean Regeneration Trust (ORT) is committed to making sure that residents living on the Ocean Estate in Tower Hamlets benefit from the regeneration of the area. Local benefits and opportunities are not just new and refurbished homes, schools, community facilities and much improved public and open spaces but also the social and economic changes of regeneration, including employment, education and training, improvements to health and well-being, and a reduction in crime and anti-social behaviour.
- 1.2 ORT has been created as the successor body to the Ocean NDC to promote the socio-economic regeneration of the Ocean area and to hold assets, receive income and generate income for the benefit of the local community. It has long been the intention that ORT would take on the lease of the Harford Street (HS) Multicentre community space, sublet parts of it and be responsible for the management of the premises.
- 1.3 To guarantee ORT's long term sustainability, LB Tower Hamlets agreed to allocate the Trust resources based on:
- The ground rents from the new build residential units for market sale completed under the main regeneration scheme;
 - The transfer of surplus revenue from the new build Council-owned retail units completed under the main regeneration scheme on the north side of Ben Jonson Road;
 - The transfer of surplus revenue from the Council-owned retail units on the south side of Ben Jonson Road;
 - The granting of a long lease from the Council on the HS Multicentre community space.
- 1.4 Negotiations about the level and duration of funding the Council will guarantee to the Trust and the transfer of the Harford Street Multicentre lease have been in progress since ORT's inception and are still continuing. It is hoped that recent changes within the Council will assist in bringing these discussions to a successful conclusion and allow ORT to move forward with confidence.
- 1.5 The nature of the Trust means that the Council will be a major funder. ORT is aware of the need to diversify revenue streams as much as possible and fundraising from other sources will enable the Trust to secure additional support to develop new projects and to support/enhance the activities of partner organisations working in the area.
- 1.6 The purpose of this Business Plan is to set out ORT's priorities for the next three years and the activities and initiatives it will undertake to meet its objectives.
- 1.7 The Business Plan is prepared on the assumption that in each financial year the Trust will receive from the Council a grant of £80K associated with the retail units on the south side of Ben Jonson Road and ground rents amounting to £105K.

2. THE OCEAN REGENERATION SCHEME

2.1 The Ocean Estate is situated in Central Stepney within the St Dunstan's ward. The core area covered by ORT, coterminous with the old Ocean NDC core area, is bounded by Mile End Road to the north, the Regent's Canal to the east, Halley Street, Aston Street, Matlock Street and Belgrave Street along the southern edge, and Stepney Green to the east.

2.2 Regeneration of the Ocean Estate has been one of LB Tower Hamlets' top priorities. Investment of more than £220 million over the last five years has seen the transformation of what was a predominantly 1950s built social housing estate consisting of mainly medium rise residential blocks owned and managed by LB Tower Hamlets. The main components of the redevelopment scheme have been:

- Demolition of 338 homes in Urban Blocks E (Aden, Flores, Taranto, Riga, Darien, Bengal and Caspian Houses) and F (Andaman, Atlantic and Marmora Houses and eight retail units)
- More than 800 new homes built across five sites
 - 296 affordable rented
 - 100 intermediate (shared ownership)
 - 420 private sale
- External refurbishment of 1,109 properties and internal refurbishment to Decent Homes Standard of 700 social rented properties
- Creation of 1,300 m² new retail and community facilities
- Estate environmental improvements.

As the estate has been redeveloped its ownership has diversified to Housing Associations, owner-occupiers and private renters.

2.3 The final phase of redevelopment began in August 2015 with the demolition of three residential towers in Urban Block H (Allonby, Channel and Studland Houses – comprising 120 properties). They will be replaced by 225 new homes – 92 affordable rented, 29 intermediate and 104 for private sale, and improved publicly accessible amenity space. Construction is due to be completed in January 2018.

2.4 In addition, the Council is redeveloping the Dame Colet House and Haileybury Youth Centre sites in partnership with Guildmore Ltd. Forty apartments for affordable rent will replace Dame Colet House and the Haileybury Youth Centre is being rebuilt as a state of the art facility for young people in the area, with a multi-purpose rooftop games pitch, arts and music facilities, IT suite, sports hall and café. Building works are expected to be completed in December 2015.

2.5 There were 2,574 households living in the Ocean area at the time of the 2011 Census. Regeneration will see the number of households rise to 3,157.

3. THE STRATEGIC CONTEXT

3.1 LB Tower Hamlets' Community Plan is a key document setting out the Council's vision for Tower Hamlets to 2020. The Council is now planning its priorities for the next four years and, having sought input from local residents and other stakeholders, has drafted a new Community Plan to take the borough through to 2019. The Plan will be finalised and agreed by the Council by the end of 2015.

3.2 In developing a Community Plan for 2015 onwards, emphasis has been placed on the need for something that builds on and complements existing partnership work. For this reason, the existing Community Plan themes that partners have organised themselves around for some years have been retained. They are:

- **A Great Place to Live**

Tower Hamlets will be a place where people live in good quality affordable housing, located in clean and safe neighbourhoods served by well-connected and easy to access services and community facilities.

- **A Fair and Prosperous Community**

Tower Hamlets will be a place where everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential.

- **A Safe and Cohesive Community**

Tower Hamlets will be a safe place where people feel safer, get on better together and difference is not seen as a threat but a core strength of the borough.

- **A Healthy and Supportive Community**

Tower Hamlets will be a place where people are supported to live healthier, more independent lives and risk of harm and neglect to vulnerable children and adults is reduced.

3.3 In developing the new plan the Council looked at areas of work that don't fit neatly into one of the four community themes and at challenges which have been resistant to improvement in the past and developed a set of high level and cross-cutting priorities which will be the focus for the lifetime of the plan.

3.4 Four priorities are proposed:

- Empowering residents and building resilience
- Promoting healthier lives
- Increasing employment
- Responding to population growth.

3.5 Although presented as distinct themes and priorities, they are not mutually exclusive but interdependent. Collectively they help support the cross-cutting social, economic and environmental change necessary to improve the lives of local people. For this reason the ORT Business Plan reflects the ambitions, aspirations and priorities of the Community Plan.

4. ORT PRIORITIES

4.1 ORT's vision is to improve the quality of life of all those who live and work on the Ocean Estate and to increase the numbers of people in the area who contribute actively to making the Ocean and surrounding neighbourhoods a better place.

4.2 The principles underlying the Trust's priorities are focused on a desire to:

- Focus on those tasks that ORT is best placed to undertake
- Build on existing work and avoid duplication
- Draw on the relevant experience of all those connected with the area and concerned to see Ocean residents benefit from the regeneration of the area
- Participate in commissioning other work as necessary to support the wider objectives.

4.3 The Board has agreed a number of objectives to guide the Trust's development until a confirmed funding package and associated SLA have been agreed with the Council. These are:

- Improving education and training levels for adults and children
- Tackling unemployment
- Improving health and wellbeing and encouraging healthy lifestyles
- Supporting local shops and businesses to ensure economic regeneration of the neighbourhood is not side lined
- Monitoring the impact of benefit and welfare changes and helping to leverage additional resources to address poverty on the estate.

4.5 To provide a robust benchmark against which ORT and other local organisations can measure progress, the Trust commissioned research to produce an up-to-date rounded picture of the Ocean area and how it has changed in the decade 2001 to 2011. Based on 40 datasets and key indicators, this work will be updated regularly.

4.6 To help achieve its goals and address social need in the area, ORT will work with partners with successful track records in supporting families, young people and adults of all ages to learn new skills, find employment, improve health and wellbeing and develop confidence.

5. ORT PROGRAMMES AND PROJECTS

5.1 This is not an exhaustive list of programmes and projects ORT will be involved with. Resources permitting, we will support other initiatives where we believe we

have a contribution to make and which will help meet our objectives and the needs of the Ocean community.

Stepney Life Centre

- 5.2 ORT and City Gateway have invested more than £210,000 in a partnership to deliver women's services for one year to the most disadvantaged women from the Ocean Estate and surrounding area from the HS Multicentre under the Stepney Life Centre banner. The partnership is ensuring that the needs of local residents are catered for and that sustainable, high quality and consistent services are maintained. The intention is to build on this foundation to grow and improve services in Years 2 and 3 and beyond.
- 5.3 Since the successful launch of the project in May 2015, there has been a good response to outreach work and attendance rates have been excellent with more than 150 women from diverse sections of the community signed up for courses.
- 5.4 Courses include Childcare, Volunteering and Customer Services, Keep Fit, Healthy Living and Confidence Building, ESOL, Functional Skills English and Maths, Apprenticeships, ICT and Business Administration. All courses are free of charge and crèche facilities are available to all users.
- 5.5 Over the period of this Business Plan, we will grow the Stepney Life Centre to include cohesive programmes that impact as large a section of Ocean Estate society as possible, directed and led by local need. We will expand the outreach strategy to include training local volunteers, partnering with local schools, children's centres and GP surgeries, door knocking, flyers and conversations in the street, libraries, markets and at school gates.
- 5.6 In the medium term we will recruit a Detached and Outreach Worker to the Stepney Life Centre team to engage local young people, assess their needs and place them on the right programmes. This means we will be providing signposting, IAG and safeguarding services to young people, as well as their families. This holistic focus on addressing whole family issues will enable even the most entrenched barriers to progression to be tackled.
- 5.7 Social enterprise forms a key part of the service offer to create work experience placements, apprenticeships and jobs for local people, on the job training and learning space, and affordable local community services that also help build community networks and cohesion.
- 5.8 Gateway Tots, City Gateway's childcare social enterprise, offers free childcare to local women, increasing their access to training opportunities. The aim is for the Stepney Life Centre crèche to be Ofsted approved so, as well as offering childcare so women can participate and more easily access services, mothers and fathers can leave their children on site while they access employment opportunities. Gateway Tots also provides high quality childcare placements for

women on the Childcare Apprenticeships, providing a progression route into sustainable employment within Gateway Tots or other local childcare organisations. City Gateway's aim is for their Childcare Apprenticeships to become the benchmark of high quality childcare training in the borough.

5.9 In partnership with Flavour Gateway, City Gateway's catering enterprise, we plan to run a thriving 'Connect Café' for local residents. As well as providing café style food and drink, the Connect Café would run Literacy Lunch workshops (informal language sessions for women who cannot access ESOL), numeracy sessions, all family learning sessions and a New Mums Club. Services in the café would be geared to actively promote healthy eating and lifestyles. The welcoming café space would help to put new service users immediately at ease and show them how they can make new friends and learn in a social environment.

5.10 A Joint Steering Group has overall responsibility for the strategy, priorities and performance of the Stepney Life Centre. The Steering Group regularly updates the City Gateway and ORT boards on the delivery and success of the programme and reports any divergence from projected expenditure or delivery and fundraising targets.

5.11 ORT and the City Gateway fundraising team are working together to raise finance to expand and improve the services available at the Stepney Life Centre.

Limehouse Project Welfare Benefit Advice and Guidance and Employment Support

5.12 ORT will continue to work with Limehouse Project to ensure that local residents are best placed to understand, deal with and take proactive action to improve circumstances both for themselves and their families. This is especially important at this time when the benefits and tax credits system is undergoing significant reform and many Ocean residents have to cope with huge, and at times confusing, change.

5.13 Limehouse Project has secured funding from LB Tower Hamlets (MSG funding programme) to deliver advice services covering the LAP 3 area for the next three years. ORT is committed to ensuring that the services continue to be delivered to residents of the Ocean Estate from the HS Multicentre, a location that is accessible and well known to them.

5.14 The advice services and employment training programmes delivered from the HS Multicentre are tailored to meet the most pressing needs of the local population, be that helping the most disadvantaged people out of debt, giving health advice, certifying human rights claims or providing support to find the right training or to seek employment. The aim is to provide the knowledge and guidance that will empower people to act for themselves.

Working with key stakeholders and housing providers

5.15 Other organisations working in the area share many of ORT's aims and to avoid duplication and build on existing work the Trust will continue to facilitate

meetings for key stakeholders to share what they are doing with others and to explore the potential for collaboration.

5.16 These meetings are currently on hold pending the outcome of the Ocean Review (see below) but prior to this there was substantial support for continuing the meetings and the following objectives going forward were agreed:

- Steering local activity stimulated by information sharing
- Leveraging money into the neighbourhood
- Mapping local provision by activity and beneficiary group
- Identifying gaps and duplication in local provision
- Enabling and coordinating joint bidding for funding.

5.17 Evolving from information sharing and identification of gaps and duplication in local provision could be the development of joint strategies to tackle specific issues, for example employability and work preparation training, 14-19 provision or addressing poverty.

5.18 There are three major housing providers with properties on the Ocean Estate (Tower Hamlets Homes, East Thames Group and Gateway Housing Association) offering tremendous potential for collaboration both on community development activities and wider estate management and maintenance issues. Informal conversations with two of the organisations have been positive but further discussions are on hold pending the outcome of the Ocean Review.

Community grants

5.19 To strengthen links with local community and resident groups, ORT will continue to run an annual round of community grants to support local community projects that can demonstrate strong community engagement and are driven by local need. We consider we have an important role to play in stimulating and encouraging community groups and individuals to contribute to community life and the ongoing regeneration of the Ocean area.

5.20 We want to fund projects that help meet our priorities and preference will be given to those that focus on:

- Employment, enterprise, training and education opportunities
- Engaging young people in positive activities
- Promoting wellbeing and inclusion
- Connecting older people
- Healthier finances.

To encourage collaborative working, there will be a limited number of grants of up to £10,000 reserved for projects developed and delivered by partnerships of local organisations.

5.21 Community groups working on the Ocean Estate often say it is hard to find out what other organisations are doing in the area. To encourage information sharing, ORT will organise networking events for successful community grant applicants to enable them to share how they are using their grant and briefly outline their organisation's wider activities, explore opportunities for joint working and discuss priorities for the Ocean Estate and for future rounds of community grants.

Support for Ben Jonson Road retailers

5.22 There is considerable scope to improve the local retail offer to capture a greater share of local disposable income and to improve business competitiveness. To this end ORT is working in partnership with LBTH Economic Development Services to develop initiatives to help the independent shopkeepers to be in a better position to profit from the opportunities resulting from the increase in population and changing customer base arising from the housing redevelopment. The challenge will be to raise the range and quality of the local retail provision without sacrificing those aspects that make it accessible and affordable to the established residents in the area.

5.23 There are two stages to the project, designed to give practical support to the existing retailers on the south side of Ben Jonson Road and any new businesses which may be created in the shopping centre in the near future.

- **Stage One**

The first stage will concentrate on analysis of currently available information, engagement with existing retailers and consultation with local residents and current users of the shopping centre. At the end of this investigative stage there will be an improved picture of which lines of business provided by existing and new businesses are likely to succeed and how these can best be organised to meet consumer requirements.

- **Stage Two**

The second stage of the project will focus on active support to increase turnover and investment. Possible interventions could include support for individual local retailers to enhance their marketing capability, a publicity programme for the shopping centre as a whole, special events to increase footfall and draw new customers to the area, advocacy of public realm improvements in transport, parking and/or signage, improvement in the way goods and services are provided, for example collaboration between businesses in meeting online delivery requests and click-and-collect facilities.

Ocean Estate bursary scheme

5.24 The Ocean Bursary Scheme has been set up with the Tower Hamlets & Canary Wharf (TH&CW) Trust using funding secured through the S.106 contribution associated with the development of 438-490 Mile End Road (Scape East) to help Ocean residents achieve their potential through higher education.

5.25 A total of 46 grants of £3,000 will be available and will go to Ocean residents who are starting higher education or studying for a post-graduate qualification. Priority will be given to applicants studying at Queen Mary University of London and account will be taken of the circumstances of each candidate, giving special consideration to those less able to afford higher education.

5.26 Seven grants were awarded for the 2014/15 academic year but administrative difficulties and personnel changes within the Council led to delay in the payment process and it was not until September 2015 that a way forward was agreed with the Commissioners. Unfortunately this means that it has not possible to offer grants for the 2015/16 academic year.

5.27 In the 2016/17 academic year, TH&CW Trust will administer the scheme and award and monitor payments and ORT will lead on publicising the scheme locally and finding suitable candidates. It is the intention that ORT will take over responsibility for administering the bursaries once the scheme is established.

Information sharing

5.28 ORT is keen to develop a community information hub where people can find the local information they need, whether it is about an ESOL class, a new construction project, the shops in Ben Jonson Road or the nearest Children's Centre.

5.29 The first phase, to develop and launch a website with information about ORT and its activities, local regeneration and development projects, local services and activities, local community and resident groups and local community facilities, is already underway.

5.30 Although the internet is a powerful way of presenting information, it isn't the perfect solution for everyone and a print medium is still a requirement. A newsletter will be produced in partnership with LB Tower Hamlets to deliver news to people who do not have access to the internet and rely on other methods for their information needs.

5.31 ORT will engage with residents, local groups, service providers and other stakeholders to get their input on the type of local information they need and how they would like to receive it.

5.32 As part of the Ocean Review (see below), ORT will work with LB Tower Hamlets and other partners to collect residents' views on the community facilities and services available in the Ocean and Limehouse Fields area and their ideas on how to make the neighbourhood a better place to live and work. Data will be gathered via questionnaires and at residents' 'Come and Tell Us What You Think' sessions and targeted events for young people and older residents.

Research

5.33 In response to a request from local stakeholders for up-to-date statistics and to provide a benchmark against which the Trust and other local organisations

can measure progress, ORT commissioned reach to provide a robust picture of the Ocean area and how it has changed in the decade 2001 to 2011, and where statistics are available beyond. This work will be regularly updated to keep the information current.

- 5.34 ORT will commission other research as appropriate to support the work of organisations working on the Ocean Estate and to help leverage additional funding into the area.

6. OCEAN REVIEW

- 6.1 The Ocean Review was initiated by Councillor Alibor Choudhury with direction from the Mayor's office in September 2014 in order to establish a coherent and sustainable community plan / legacy support programme for the Ocean and Limehouse Fields area. The aim was for the final report and recommendations to be completed by July 2015, including recommendations on the future of the HS Multicentre.
- 6.2 The review was slow to get off the ground and the first meeting of the Steering Group, set up to steer the work and monitor progress, did not take place until April 2015. Further delay followed the departure of Councillor Choudhury and the then Mayor. The future of the review and the direction it should take is currently under discussion.
- 6.3 Work to date has been restricted to reviewing what community facilities and services are available in the Ocean and Limehouse area and highlighting any gaps in provision, and opportunities to strengthen partnership arrangements. This stage of the review is expected to be completed by the end of December 2015.
- 6.4 The second stage of the review will be informed by the outcomes of the first stage but it is still the intention that it will include development of a community plan / legacy support plan for the area. ORT will play a key role in this.

7. RESOURCES

Income

- 7.1 As stated above, ORT's principal sources of funding will be through the rental streams received from existing and new residential and retail assets created by the regeneration scheme. For the three years covered by this Business Plan the projected annual income is a LB Tower Hamlets grant of £80K associated with the retail units on the south side of Ben Jonson Road and £105K in ground rents from the new build residential units for market sale completed under the regeneration scheme (£250 x 420 units + annual RPI uplift). An assumption is also made on an initial target for attracting additional income through fundraising.
- 7.2 In time, ORT will also receive a grant associated with the surplus revenue from the new build Council-owned retail units completed under the main regeneration scheme on the north side of Ben Jonson Road. Marketing has been delayed by a

decision made after completion to split the eight originally planned units into 16 smaller ones and discussion about whether or not to complete a full fit-out prior to letting. The earliest the new retail units could begin opening for business is in April 2016. However, retailers could be offered a rent-free period so it is impossible at this stage to say when ORT might receive an income from this source.

ORT INCOME	FINANCIAL YEAR		
	2015/16	2016/17	2017/18
Ground rents	£105,000.00	£107,100.00	£109,242.00
South side BJR	£80,000.00	£80,000.00	£80,000.00
North side BJR	£0.00	£0.00	£0.00
Fundraising	£5,000.00	£20,000.00	£30,000.00
TOTAL	£190,000.00	£207,100.00	£219,242.00

Expenditure

7.3 The expenditure profile assumes that the emphasis on spend is on a proactive programme of fundraising and project development and spend coupled with a core role around stakeholder/community engagement.

7.4 The funding provides for two posts (Director and Community Development Officer), each employed for three days a week from 2016/17. Operating costs cover IT, office supplies, insurance, membership subscriptions, recruitment, audit and other professional fees, governance, some publicity and marketing materials, including a newsletter, and miscellaneous expenses for organising meetings and events associated with community and stakeholder engagement.

ORT SPEND	FINANCIAL YEAR		
	2015/16	2016/17	2017/18
Staffing	£50,000.00	£53,140.00	£53,140.00
Operating costs	£20,000.00	£22,500.00	£25,000.00
Research	£5,500.00	£5,500.00	£5,500.00
Stepney Life Centre	£110,000.00	£110,000.00	£110,000.00
Projects	£10,000.00	£20,000.00	£25,000.00
Community grants	£40,000.00	£40,000.00	£40,000.00
TOTAL	£235,500.00	£251,140.00	£258,640.00

Surplus/deficit	(£45,500.00)	(£44,040.00)	(£39,398.00)
Unrestricted reserves	£129,000.00	£83,500.00	£39,460.00

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